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OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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# The CREDIT WORLD

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

L. S. CROWDER, *Editor*

ARTHUR H. HERT, *Associate Editor*

Editorial and Executive Offices . . . Shell Bldg., St. Louis 3, Missouri  
Advertising Representative, T. W. Farrell, 64 E. Lake St., Chicago 1, Ill.  
Washington Counsel, Clagett & Schilz, 1424 K St., N. W., Washington 5, D. C.

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# It's Up to You

H. W. Adkins  
Executive Vice-President, Yahr-Lange, Inc.  
Milwaukee, Wisconsin

(An Address Given at the Annual Conference of the N.R.C.A., Cincinnati, Ohio, June 13, 1950)

**Y**OU CANNOT EXPECT a greater harvest than the seeds which you sow. We have probably been planting seeds at this time of the year and we know that they will not grow unless the soil is good. So we have to put a lot of effort in that soil to make the seeds grow. So, with your credit facilities, with your company as the backbone, the buyers, etc., or whether you be lawyer, merchant, whatever you may be, wholesaler, manufacturer—those are all seeds. But you cannot succeed very well unless you have a dynamic economy, in other words, that is the soil of the U. S. A. and in order to do that you have to take some interest in activities on a broad level rather than just at your own business.

So, you cannot expect a greater harvest than from the seeds which you grow. I like to go out and sell the U. S. A. much more than F. O. B., which means freedom from bondage. I do believe this, I think we have one of the greatest nations in the world. We also have the best standard of living in the world and the reason for this is that we have two know how's, the know how to produce and the know how to create wants.

This reminds me of trying to come into a port, a seaport that is rocky with a rugged shore and that port is the name of a little town named Awol. And to get to that port we have to go through three channels. The first is the channel of knowledge, the second is the channel of faith and the third is the channel of decision. Each of those channels has a lighthouse and we have to go through each channel on a course laid out by three lighthouse keepers. The lighthouse keeper of knowledge is our great schools and universities and the great job of training programs sponsored by business. The lighthouse keeper of faith is our great churches and our great institutions which tell us that the faith is there if we want to follow through. The lighthouse keeper of the channel of decision is none other than *you*. We have got to get to that port of Awol and Awol means the American Way of Life. That port is a port where the people have happiness, they have security, they have opportunity and they have adequate compensation for their efforts. It is a wonderful port but it is a hard port to reach unless we constantly check ourselves. How are we on our knowledge, our faith and our ability to make decisions?

What makes this a great country is the fact that we have a dynamic economy. In other words, we have a great trading productive activity where we buy and sell and produce. Many people do not understand political economy. Most of us have taken it in school but have forgotten it, or we did not understand it. Here is a

dollar bill and I will try to explain what winds the clock and what makes it tick in America. It is a simple thing. Money is merely a commodity by which wealth and its comparative worth are measured or stated. It, by itself, has no value. It is the goods and services that are back of this dollar that have the value. Here we see this dollar bill and it is nine o'clock in the morning. It is in the cash register of a hardware store on main street of any town in America. What happens? The hardware man has a headache and goes to the drugstore to get some medicine and he has the dollar bill. The druggist buys a pair of shoes with it. The shoe store gives it to the window washer. The window washer's wife spent it for food. The grocer spent it for new tires at the garage. The garage had their lights fixed and now the electrician has the dollar bill. He spent it for overalls so the department store has the bill and they pay the rent with it. The landlord has a stenographer who goes to the hardware store to buy an electric razor for her boy friend's birthday and this is the same hardware store where it started at nine o'clock this morning.

This is truly economics. It went back but the dollar bill was the same. It had goods and services which were transferred that day by virtue of that dollar bill. I was not so much interested in the \$12.00 sales of that dollar bill just because it made 12 trips but because of that earned income and on a 40 per cent mark up on that \$12.00 is \$4.80 of earned income in that community as a result of the dynamic thrusting of that dollar bill back and forth across the counters.

Where do credit people come in on this? My illustration was all about cash and all credit people have to do is to see that transactions are converted from accounts receivable into cash because when all is said and done, it must eventually be converted if we are going to have a dynamic prosperity. A sale is never made until the consumer is a satisfied consumer and has paid his bill because all along the production, from manufacturer to the consumer you are all working on that production line so it is an important thing to see that we get the dynamic transition of those dollar bills. One thing that is bad is to have lazy dollar bills. If you had 18 or 20 employees, you would fire them. In many balance sheets I have examined, I have found many lazy dollar bills. Lazy dollars are as bad as lazy people. Every dollar must produce in order to be active. Every dollar you have in accounts receivable beyond a certain date is lazy dollars. We have plenty of lazy dollars laying around in mattresses. People that do that have wealth instead of making them dynamic and going to town. Spending dollars and not lazy dollars is what we need and credit people have a lot to do with this whole program.

Our great activity is in durable goods and not in non-durable goods. The thing that makes these dollars go back and forth across main street is nothing more than what we call selling. It is salesmanship. You are not in the selling field but you should be interested because creative salesmanship depends on good credit to the satisfied customer. The dollars that are going back and forth are the result of creative salesmanship and it has to be created today. I do not like to talk to clerks and call them clerks. To me they are want creators. I would like to get over to America that everybody standing behind a counter is a want creator. They can create wants and that is what we have to do to create the so-called amount of production that is being produced. We have got to create wants for it is the salespeople that are going to do that job. So what you have got to do is to realize that selling is the secret weapon to continued prosperity.

Without selling, America might have been no better than when the Indian roamed this land. So salesmanship at the retail level, the last three feet in the production line, as I see it, is most dynamic and the most important part of it. Our recession is only a recession of selling efforts, the lack of a training program, the lack of teaching people how to sell and the lack of an inventive program. A clerk asked me "Why should I try to sell when I am not getting paid in accordance with my productive activities?" Incentive plans have got to be put in all along the line. Something has got to be worked out to show that labor is worthy of its hire. All labor should be on some sort of an incentive program. I do not mean that salespeople should be taught to sell things that consumers do not need. In many cases buyers go out and buy what they want instead of what customers want and as a result they get a hangover instead of a turnover.

People in America have got to start thinking. This program calls for a lot of thinking. Only 5 per cent of the people think, 10 per cent think they think and 85 per cent of the people would rather die than think. There are more loose thinkers than there are thinkers loose. The whole cause of business is a battleground that lies north of the ears. Now is the time to revive our thinking and get out of a rut. Things are constantly changing. You graduate from school yesterday, you stop learning today and you are uneducated tomorrow. This is how fast things are changing. You cannot do today's work with yesterday's methods and be in business tomorrow. This is why you have this Conference. This is a post graduate course in credit and people should attend and brush up on their knowledge.

#### ***There is an Erosion Going on***

We are getting changes in this soil that I am talking about; this dynamic economy we are trying to develop is changing all the time. I am wondering if you are aware of it? If I was an agricultural man and assaying land I would probably find that erosion going on. In our economy there is an erosion going on. For those of the 5 per cent that are here, you will realize just what that erosion is. And that erosion is nothing more than the so-called word security. What we are trying to get into our free enterprise system is a dose of this security which sooner or later degenerates everything, whether an individual or a nation. Security has no place for able bodied

people. Now everyone wants to work less and secure more. Security leads to disintegration. The seeds of eternity are in those nations that exalt the individual. Do not become a part of the mass unless you keep your individuality. That is the basis of everything that was ever brought out. Christianity from the very start exalted the individual. For those who want security, they want to do less and get more.

Small business is a very important part of America—3,317,000 units of American business are small business; 45 per cent have no employees whatsoever, 37 per cent employ from one to three, and 9 per cent employ from four to seven. That 35 per cent of business takes in 45 per cent of the dollars and 45 per cent of the business takes in 50 per cent of the dollars so 95 per cent of all American business is small business. The small businessmen are, therefore, very important if they exercise their rights. All business is faced with a couple of bad dragons that all of us have to reckon with. Those two dragons are inflation and taxation. You know what caused them as well as I do, but some of us do not know what is happening. Some people think that since they are making more money today than they did years ago, they are better off. When inflation and taxation get through dipping in do you realize that an income of \$5,000.00 today is equivalent to \$3,000.00 in 1939; \$10,000.00 today is equivalent to \$5,000.00 in 1939; \$25,000.00 today is equivalent to \$10,000.00 in 1939; \$50,000.00 today is equivalent to \$16,000.00 in 1939; and \$75,000.00 today is equivalent to \$20,000.00 in 1939. Why? The United States owes a lot of money and it must be paid. Some people think that the government can operate on the principle that we should spend more than we take in. I cannot work my budget that way nor can you. All of this means that it is going to cost more for taxation and more for inflation.

#### ***Inflation That Destroys Currency is Bad***

If I told you I would give you 50 cents on the dollar for your Liberty Bonds you would think that was ridiculous. If you let inflation creep in and pay the people 50 cents on the dollar, they love it. Inflation of the right type is all right but inflation that destroys currency is bad. So people ask, "Why do prices go up all the time?" We want more labor, we want more salaries, and everybody is yelling for more money. Where is it all coming from? Ninety-six cents out of every dollar represents labor. If you raise the price of labor and do not raise productive activity, how are you going to keep prices down? If I were paying you \$10.00 to produce 10 units and I raised you to \$20.00 and you still only produced 10 units, the cost of each unit would be \$2.00 instead of \$1.00. If you produced 20 units and were given \$20.00 my cost is no higher. Only by producing more can we get more in America. We have got to realize that. It is because of high wages our prices continue upward and you must remember that you are not going to take the profit motive out of business. I have been asked many times, "What can we do to stop profiteering?" There is only one thing. If a company profiteers, the competitor gets him and if he loses money the banker gets him. Ordinary free and open competition is the one thing that protects profits.

If you want to get more for what you spend, give a little more for what you earn and if everybody in America took that really to heart they would increase their productive activity. People are getting more money but they are not producing the equivalent so our prices keep going up. It is not what is your take home pay that counts but what will your pay take home that is important. All down the line prices keep rising and wages keep going up and where are we going to stop? We are only going to stop when people realize that by producing more they should have more take home pay. My employees get more money but they have been taught that they have to produce more to earn more.

When we get into the business activity credit people are closely associated with the whole reason for business. It has often been said that if a person could not do anything else he would go into business. Business is a very important calling. Salesmanship is one of the high professions all along the line. You have got to have more order makers and less order takers. The very principle of business is a wonderful calling because business exists for one reason only and that is to serve people. What is good for the people is good for business, and not what is good for business is good for the people. Everyone in business should have the realization that they are servants of the public and I am here to give the people what they want, and to serve them with what they want. I think then your business is going to be a success and people are going to have to know that all along the line in the credit activity. Of course 68 per cent of lost customers drift away because of indifferent service. There has been a marked improvement in the credit relations of all businesses in the last 5 or 10 years. You are putting more sales "umph" in there; you are doing something to build up business. You realize the importance of it and the credit department is a very important department and in my business I do not call it the credit department. I call it customer relations department because all good customer relations stems from good credit and the relations with the credit department head.

Justice Holmes said that good will is the desire of a customer to return to the place where he is well served. That answers the whole thing all the way down the line because the customer is the most important person either in person or by mail so learn to serve and to serve well.

Many of you are identified with the financial part of your business so you know that you should keep adequate records and should watch where the break-even point may be in your business. As sales go up or down it is very important that you keep your profit and a simple formula for all business is to take your allocate part of your gross profit to a hundred and multiply by the net and there is your break-even point. If you had 33½ per cent average gross profit and the allocate part of 100 is 3 and if you

had 6 per cent net profit, 3 times 6 is 18 so if your sales is off 18 per cent your profit is wiped out. You should let everyone know just how close you are to your break-even point.

You should also keep good books and records. Most big businesses do that but so many small businesses have the idea that they can put some of their sales in their pocket to avoid taxes but no one can get away with it because the government is using today what they call the net profit method of determining errors of omission. They usually are able to find out who those businesses are that do not ring up all their sales so they should be warned not to follow such a practice.

All businesses should work their clerks on some kind of an incentive plan. In small concerns we have what we call the ten-ten plan for better pay. If you can afford to pay 10 per cent of your sales for clerk hire, and if a clerk is making \$40.00 per week, multiply by 10 so if she can sell anything in excess of \$400.00 she will receive a 10 per cent commission. This is an incentive and if you have a plan such as this, the clerks will go to work and learn how to sell something providing you give them something to work toward.

#### **Overtime is Very Important**

You should also watch overtime as it is a very important thing. There is a quick formula. If a girl has received \$40.00 in wages and \$30.00 is base pay and \$10.00 is overtime, the \$10.00 is one-third so put that into 32 and that means she is working 107 minutes of overtime every 8 hours of work. If you cut that in half, you can see what that amounts to. In my plant we cut it down 4 minutes for every employee and it meant something like \$43,000.00 additional net profit to management in one year. So I gave the manager of the various departments a bonus because they were important in cutting down overtime. Overtime should be watched carefully as it is a thief that can do a definite job. There are two ways of making money and that is to add to sales or to deduct from costs. I know of no other part of the business that is as important as the credit department. You cannot pay accounts payable with accounts receivable. I try to pay my bills with Listerene but they do not want it, they want cash. Credit people are the converters, so you are a very important group.

In business you must be careful and if people know what CARE stands for they are a good people to employ. Have they got character and have they got courtesy and confidence? That is the C. The A stands for ambition, adaptability, the right attitude. R is for responsibility, reliability and resourcefulness. The E is for enthusiasm, energy and endurance; can they stand up and can they get there? The purpose of these meetings is to put all these things together and do a better job in the administration of your particular business. Now what do we do in a meeting like this? If I had a dollar and you had a dollar and if I gave you my dollar and you gave me your dollar neither of us is better off because we each have the same amount. But, if I have an idea and you have an idea and if I gave you my idea and you gave me your idea, we each have two ideas. What I gave I still have and what you gave you did not lose so we both are richer.

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NOTE—Mr. Adkins has prepared an informative booklet "Push Button Methods for Management," which outlines certain mathematical calculations in discussing and analyzing various problems relative to marketing and distribution. It is available free from the National Office, 218 Shell Bldg., 1221 Locust St., St. Louis 3, Mo.

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When it comes right down to the final analysis, what are you going to do about all these things, there is a lot of people that are going to sit back and say I am all right, I am as good as the average guy. I have all this knowledge so let the other fellow do it. Do you know what the average person is? An average is the middle point where the poorest of the best meets the best of the lousiest and no one wants to be that way. Too many people in America are thinking about being just average. Some will say I am going to turn over a new leaf and take my arm out of the sling. If I put my arm in a sling for one year and then tried to use it, I could not do so. If you do not use your facilities you are not going to get anywhere so we have got to get in there and use those things. We have got to get in there with the second of the most important things and that is we must have faith. We have got to have faith in our country and faith in our business. We have got to have faith in our jobs because if there ever was a time, when all is said and done the whole future rests upon our ability. Faith is merely reason gone courageous. Faith is to believe that which you do not see and the reward of faith is seeing that which you do believe. There is the key to the whole thing. We have got to have faith in our business and faith in ourselves to go out and do a lot of things. Changing things and trying new ideas should be continued all the time. You might say that a thing has not proved but you have to try things. If you try 10 things and only one works, it is better than not trying at all.

#### ***Human Engineering is a Big Factor***

You have to take an interest in people. Human engineering is one of our big factors on which we should check ourselves. Check your employees from four angles: have they a good home, have they a good hobby, have they a good job and do you have faith in them? Without a good home no man is a good risk. All work and no play makes Jack a dull boy so they should have a hobby and you should take an interest in them. Do you describe the job to them with job evaluations and job descriptions? All employees should have faith in you. Whenever fear knocks on the door and faith opens it there is never anyone there. The reason my employees come and say they can do this or that job better is simply because they have faith in me. They have no fear because if they had fear they would not come to me at all. All your employees should have faith in you. And that, of course, is the key to all good credit. You must have faith in people.

Many people are not going to do all these things because they are just plain lazy. They do not want to work and as the Chinaman said, "He who rolls up his sleeves will never lose his shirt." You got to get in there and work because there is no substitute for working. Some people are so egotistical they fall in love with themselves early in life and then they have a lifelong romance. Yet some people think they are important. If I could take the life out of any one of you, of course I would want to put it back, I would like to know just what you are made out of. In case you do not know, here is all you are. There is enough water in your body to fill a small keg; enough fat to make about six bars of soap; enough iron to make seven nails; enough sugar to fill a small shaker; enough lime to paint a chicken coop; enough phosphorus to make about 1,000 matches; enough potassium

sium to explode a toy cannon; and enough sulphur to take the fleas out of one dog. That is all you are. Along with a lot of air, those components make man. So, why get steamed up and think you are such an important person. We are not important at all. The strange part of it is, inside of that 98 cent house there lives somebody. That somebody has unlimited power, unlimited ability to solve every problem. Man was created in the image of God and we must believe that in a Christian nation as we are in this country. So get acquainted with the person in that 98 cent shell, and when you do you will be able to solve the problems of life.

When you get acquainted with him you will see that man does not go around in a cycle he has been going around for 6,000 years and that cycle has been chaos to democracy, to theocracy, to aristocracy and back to chaos again. Man came into this world in bondage and then went into spiritual faith, to courage, to liberty, to abundance, to selfishness, to complacency, to apathy, to dependability, and then back into bondage again. Why is it that when people get to that great point of liberty and abundance, they begin to get selfish? Now the inner man that you should get acquainted with is not going to tell you that, he is going to say that what we need in the world is go-givers and not go-getters. What is wrong with the whole world is that we should live to give to people. We talk about the brotherhood of man. In business and everything else we are here to serve and we get out of life in accordance to what we give. So, let us dedicate ourselves anew to these expanding opportunities that are before us and let us all get in there and become go-givers instead of go-getters.

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# The Value of Insuring Accounts Receivable

URBAN M. LELLI, Secretary, Phoenix-Connecticut Group of Insurance Companies, Chicago, Ill.

(An Address Given at the Annual Conference of the N.R.C.A., Cincinnati, Ohio, June 13, 1950)

THE WORD "credit" which identifies your association and your own role in the business world plays such an important part in the lives of so many people that you have every right to feel proud of your position. However, it is one that carries with it great responsibilities somewhat paralleling that of a lawyer. The latter in representing a client must properly evaluate all facts and present them in proper fashion to the judge and jury in an effort to vindicate the client. Lack of thorough investigation or the use of poor judgement will not only lose the case but may result in serious consequences for the corporation or individual so unjustly treated.

In your review of applications for credit the same sincere investigation and analysis of facts must be made. To label a corporation or individual a poor or bad credit risk is serious, especially if they are entitled to credit. You place an indelible mark on their character and lose business for your firm. If through improper application of your intelligence you identify crooks, deadbeats, habitually poor payers as good or excellent credit risks and do it often enough, your firm will not only go broke but you discredit the word "credit."

When you apply the term "good credit" or "excellent credit" to the names deserving of such classification, you not only build sales for your firm but you show to all eyes entitled to see that you have faith in those people and you believe they are reliable, trustworthy, honorable and you expect future payments for property transferred to them, barring the small percentage that will be confronted with incidents beyond the foresight of all concerned.

I am sure you understand how much we as customers of yours rely on your stamp of approval. A glance at your records will show the importance of good charge and deferred payment customers to your organization and how you encourage their continued patronage. You keep a careful record of these accounts and they are known as accounts receivable and represent one of your most liquid assets.

Your customers' method of discharging their obligations is an old and established one in that they rely on your billing, and if they overlook the due date, they expect a statement from you. Can you imagine for a few moments that these valuable records of yours have been destroyed or have disappeared? Could you recall all the items and the amounts of each customer? How could you render statements? Could you or all of your employees together make up a new set of statements if your records were destroyed? Inflow of cash would be curtailed. Would it seriously impair your working capital if outstanding accounts were not paid? The Safe Manufacturer's National Association confirms the fact that out of every 100 business houses whose records are destroyed, on the average:

- 43% do not resume business;
- 17% who issued financial statements before the loss are unable to do so after the loss;
- 14% suffered substantial reductions in their credit ratings;

26% of the credit ratings were unaffected.

Some of you no doubt protect this important liquid asset at night and on Sundays and holidays by a safe which on the average will probably withstand a fire of approximately one to two hours before collapsing, but it is not guaranteed to prevent charring or scorching of its contents in less time.

Your records may be destroyed, may disappear, or be seriously damaged by fire, explosion, earthquake, wind-storm, flood, burglars, vandalism and malicious mischief. Your loss might be even greater than that occurring to your stock of merchandise.

While admitting the safes some of you have offer some protection and a credit in the insurance premium is granted accordingly, the problem remains, how safe is any safe? There is no guaranteed physical protection of records. Only insurance can provide guaranteed protection of such property against substantial loss.

Accounts receivable insurance covers against loss resulting from your inability to collect money due you from your customers, provided such inability is directly due to destruction of or damage to records of accounts receivable contained in your premises from various causes such as fire, wind-storm, hurricane, flood, riot, strike, explosion, earthquake, falling buildings, malicious damage, burglary and many others.

The only policy exclusions are war and mysterious disappearance. The latter can be made a part of coverage when desired. Policy is issued for an amount representing the past 24 months' average and provisional premium based on this figure. Limit is high enough to protect your peak in values.

## Prompt Reports are Necessary

Monthly report blanks are furnished by the insurance company or you can render to the company within an agreed number of days a signed statement on your stationery of the total amount of accounts outstanding as of the last day of each fiscal month. Prompt rendering of reports is not only necessary for proper premium adjustment but important when your records are destroyed as these reports will be the basis of loss adjustment. At time of policy issuance the insurance company requests the amount of accounts outstanding as of the last day of each fiscal month for the past twenty-four months. This is necessary to comply with the loss adjustment clause in the form which reads as follows:

"If the Assured cannot accurately establish the total amount of ACCOUNTS outstanding as of the date of loss, the Company's limit of liability shall be based on the Assured's monthly statements and shall be computed as follows:

- (a) Ascertain the total amount of ACCOUNTS on the last fiscal day of the same month in the year preceding that in which the loss occurs;
- (b) Ascertain the percent of increase or decrease in the average monthly total of the Assured's outstanding ACCOUNTS for

- the twelve (12) reported months immediately preceding the month of loss, as compared with the average of the same period of the preceding year;
- (c) The amount of (a) increased or decreased by the per cent determined under (b) shall be the agreed total amount of ACCOUNTS as of the last fiscal day of the month in which the loss occurs;
- (d) To arrive at the total amount of ACCOUNTS as of the date of loss, the amount of (c) shall be increased or decreased in conformity with the normal fluctuations in the amount of ACCOUNTS during the fiscal month involved, due consideration to be given to the experience of the business since the last fiscal day of the last reported month."

Contracts are usually written for three years at two and one-half times the annual rate and adjusted on anniversary date each year at one-third of the three-year rate. Each risk is rated individually. Accounts receivable represent many past efforts on the part of your entire organization starting with the purchase of the merchandise, then displaying, advertising, selling, wrapping and finally taking the merchandise out of your premises for delivery to your customers.

While the merchandise is in your possession, you have its value covered by insurance. If cash were paid upon delivery, then the story would end, but unfortunately large values representing merchandise formerly in your premises find themselves on a ledger sheet or card, concentrated in a small portion of your premises, and when the transfer from floor or shelves of your store to your paper records is made, insurance protection ceases without accounts receivable insurance. When you consider the time and money you spend each day in selecting customers that represent your accounts receivable, it would appear wise to give some serious thought of insurance protection on these valuable records.

#### QUESTIONS FROM THE FLOOR

**Question** 1. The monthly reporting blank you exhibited seems small which prompts me to believe I heard you correctly about reporting only the *total* figures of outstanding accounts receivable each month. Is that correct?

**ANSWER** 1. That is correct.

**Question** 2. If we buy accounts receivable insurance and all of our records are destroyed, how can we prove our loss?

**ANSWER** 2. The policy provides for the method of establishing your loss. The 24 months' reports rendered by you to the insurance company immediately preceding the month of loss will be the basis of adjustment. The loss settling clause also provides for fluctuations either upward or downward as reflected by your reports previously rendered as well as fluctuations in the amount of accounts during the fiscal month involved. In case of serious loss or damage to account records you will be

entirely dependent upon reports you rendered to the company, which emphasizes the importance of promptly sending reports each month of the total figure of accounts receivable as shown on your records.

**Question** 3. In case of a complete loss of records, what has been your experience as to the percentage of loss you will have to pay under the policy?

**ANSWER** 3. 40% to 60% of the amount of insurance.

**Question** 4. If records are microfilmed, why would accounts receivable insurance be necessary?

**ANSWER** 4. If microfilm records are kept in same building or vault with the original records you do not have the benefit of duplicate records, as if a serious loss occurred both would be destroyed.

If microfilm is kept in separate location (bank vault or structure detached from your building) you have duplicate records for all accounts previous to current month, and if you microfilm every 26 days it is estimated 50% of your current transactions are duplicated. Microfilm every twenty days it is estimated 40% duplicated, and if on sixteen-day basis 30% duplicated. You must keep in mind the possibility of delay in getting the film out of your premises to processor and upon the return of the film the possible delay in placing it in its final resting place away from your premises.

After film is placed in its regular depository and should it be destroyed before accounts are paid, the expense of re-microfilming will be involved. Should the original records be destroyed you will be faced with the cost of their reconstruction from the microfilm. These contingencies can be covered under an accounts receivable policy and, of course, reduction in rate for duplication based on its merits is reflected in the premium.

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# *Living Like a King*

CHARLES F. SHELDON, *Manager, Philadelphia Credit Bureau, Philadelphia, Pa.*

**G**RANNY WASHED her clothes in a wooden tub 30 years ago. In some rural sections of the country the family wash is still a wooden-tub routine. She never imagined any dish washer other than Granddad or their children. In winter, Granddad cut out blocks of ice from the pond. These he stored in the barn to preserve food through the long hot summer months. And with it he cooled his drinks, too. Granny always hoped that the day would come, and the sooner the better, when machinery would be invented to lessen her drudgery on the farm. She looked forward with keen interest to the possibility of a leisure hour—a time when she could enjoy a few cultural benefits that her neighbors in more comfortable financial conditions had been enjoying for many years.

Little did Granny realize that men were even then promising these mechanical improvements and a share-the-wealth utopia. There was not any radio or television over which she could hear and see the crackpots who held out the lure of a better life through dependence on government largesse. But occasionally she did read items in the weekly newspapers about a new type of government that intended to re-distribute the wealth of the world. In this new government everyone shared equally. It was called by many names but the most prominent one was Communism. Now Communism as a transcendent ideal means one thing. It is good. It is a plan for an ideal equalized society on a high level. It is religion.

The Communism that she read about, although she had no way of knowing it, was quite a different matter. It was the spider's sly way of offering an attractive glittering web for a comfortable siesta. But once you succumbed to the charm of the idea you would find yourself held tight by fibres of steel, subdued and controlled by masters, and not by humane benefactors. They are little men with little humaneness and no religion. Their arrogant plan for power and still more power is their only God.

These disciples of Communism made, and still make, wild promises that are not easily fulfilled. Nor were they, perhaps, ever intended to be fulfilled. But paralleling their false doctrine, there has been quietly and efficiently operating an unheralded and powerful force that has accomplished what Communism promises. It is known as consumer or personal credit. During the past years it has been widely and orderly placing the products of our factories in the homes of the workers who make them. Gradually, consistently and with progressive intensity it has raised the level of our standard of life. It has made the unsavory slogan of "Every Man a King" more palatable. The kings of antiquity had no such power at their command as the humblest among us today.

It is not new or something to become alarmed about when men and women want to improve the level of their position in life. It is one of the rewards of a successful

life. The goal of the individual throughout the ages has been to expand. There has always been one group of men who took advantage of this desire to expand. They have held forth a false idealism of an equal distribution of wealth. The workers of the world, however, knowing little about such things, started to acquire their own wealth. To be sure, it was at a slow tempo. But they increased it continually and their production zoomed to new heights. Their purchasing of the comforts and conveniences they manufactured has constantly increased. Their happiness and joy in living pyramided. New vistas of self-improvement for themselves and the entire family were opened.

Stop for a moment, if you will, and consider the constant increase in the standard of living of the people in the United States. Then compare it with that of any other country in the world. We come out far ahead. We are tops in mass production and mass distribution and mass consumption. There is a difference of opinion among many business leaders as to whether consumer credit produces. Actually it does not. If the manufactured products are not consumed, however, it would not be necessary to produce more of them and our business volume would drop sharply to a lower level. That seems pretty elementary. Perhaps, it is best to leave such a knotty question to those who are better qualified to understand such things. But you cannot shake off the fact that consumer credit is an important factor in the widespread selling of our manufactured products.

We have available a significant comparison of the importance of consumer credit. With it we can judge for ourselves how important it is. The outstanding amount of consumer credit today is about two billion dollars in excess of the total amount of credit outstanding by all industry. In other words, the banks have loaned about 16 billions of dollars to thousands of manufacturers and allied business enterprises to produce goods. At the same time, the retailers and financial institutions have loaned about 18 billions of dollars to you and me for the purchasing of these manufactured goods. We have pledged 18 billions of dollars of our personal credit. The security behind consumer credit is the people of America. When we purchase on credit, that is, pledge our future earnings, it is just as sound banking as when industry pledges its credit. No one will quibble over the wise plan of saving part of our income. All we do is reverse the policy of saving when we use our personal credit. If we save first, we may never own the house or the refrigerator, or the automobile or the television set that we desire. But if we purchase it first and then pay for it out of future earnings we own and enjoy as we save.

The practical application of pledging our personal credit is not amazing or magical. In its simplest form it means only that each of us has the free choice to work and earn and pledge our income in whatever way we choose. Meanwhile, we have been sharing equally our manufactured products. No mythical promise of "some-time" is involved. No physical regimentation limits our purchasing that which we want. Just a free choice to

buy when we decide the time has come for us to make a purchase. That is how free enterprise works.

Let us return for a moment to that minor yet articulate group of misguided folks among us who prattle about one level of ownership. The newspapers are full of items about their shenanigans. We better be careful that we do not listen too long to their siren song. It can be used to herd us into a slave society. These same people are enjoying today that which Communism promises to them sometime hereafter. They are purchasing homes, automobiles, electrical appliances and services by pledging their own personal credit now. For all that is required of anyone, under our free enterprise system, is a record of being reasonably prompt in paying the agreed monthly amount. In addition, a small cash investment, or down payment, to secure personal interest is also essential.

You and I, the workers of this country, can continue to increase our standard of living. But we must stop fluttering like moths around the lights of those whose ultimate motives are not in the advancement of our personal interests. These unstable characters may be misguided through weak intelligence. Or they may not have outgrown their childhood gang complexes. Whatever the cause, they attempt to satisfy their frustrated ego by obtaining power over the rest of us.

With Communism as their trade-mark, they promise equal sharing of the world's goods. They want to even out the flow of material things on one broad plane. Yet consumer credit has been spreading the purchases of our factories more widely every year. Communism promises equality; consumer credit practices equality; Communism enslaves; consumer credit frees; Communism is confusion, treachery and moral disintegration; consumer credit is order, faith and moral growth.

If in increasing numbers we had not pledged our personal credit over the years, our production of goods would have been reduced greatly. The swiftness of the over-all growth of our country would have been retarded. We could not have purchased our homes, electrical appliances, automobiles, radios, televisions and services for cash. We just do not have the cash. Unless we are blessed with financial independence at birth, our good credit is our one badge of a worth-while citizen. Its components are good character and good ethics. Next to good health, it is our most valuable asset.

#### ***Engagement Ring Initial Use of Credit***

The engagement ring with which we pledged ourselves to our chosen life mate is often the initial use of our credit. Then comes the creation of our own home with purchases by pledging our credit for furniture, rugs, stoves, refrigeration, radio, televisions, washing machines and other electrical appliances. Not all purchased at once, of course, unless we are unwise and the credit managers over-gullible. But purchased on a planned budget conformable to our present income. It is not intelligent use of our credit to promise to repay out of future promised income. But as income is increased through meritorious advancement in our chosen field, our credit can be increased accordingly. Gradually, we accumulate a substantial investment in comfortable and gracious living on a higher level. We can continue to raise our level of living according to our ability.

Along with satisfying our desires and reaching our goal in material things we have a further opportunity to enlarge our sense of responsibility. With release from the daily drudgery and its weariness and utter fatigue, our vision improves and our very existence is on a higher level. We, that is if we are wise, can appreciate and enjoy our stake in better living. The opportunity for such growth is worth protecting for ourselves and for the generations yet unborn. But it would not be passed on to them if we give up, bit by bit, our independence of decision and free choice of action.

There comes a day when we require larger quarters for the growing family. If our behavior in meeting our obligations has been on the prompt side, our credit is now ready to be pledged further. It will serve us in the greatest project of our lives, the acquiring of our house. The one little piece of this earth that we can call our own. And over whose threshold no bureaucrat, nor policeman, can pass without our express permission or that of the due process of the law. If we plan intelligently, most of our needs can be satisfied in due course. Moreover, we will acquire them through our own efforts and resourcefulness. They will not be promises of things to come. But actual enjoyment of the goods we produce for ourselves and for others.

Magnify your individual purchases by millions of such purchases by others. It is clear that our continued high level of employment, is in large part, dependent upon consumer credit. We would eliminate a large percentage of our sales if we were forced to put cash on the barrel head for all our purchases. If we did stop purchases on credit a chain reaction would be started of employee layoffs in retail stores, banks, finance companies, consumer loan companies, credit unions and savings and loan associations. This would filter through to manufacturing and all the establishments serving them.

Of course, the system has imperfections. Perfection is hard to find. Our bodies are not perfect. Our minds break down. Nevertheless, the vast majority of us seem to get along with experiencing only a modicum of trouble. Some of us, however, have more than our share of tragedy. Sometimes it is our fault.

Neither is consumer credit perfect. Most of us control our credit quite well. But others misjudge their ability and resources becoming seriously involved. Just as we do not stop building or creating our future because of an occasional error, we do not stop using our credit because of the occasional credit error. Those who grant credit try to fence themselves against the imperfections. They have protective devices that fence the occasional hazard.

This is done in every community through a file of credit records. Each prompt record is a badge of a good and responsible citizen. It is your personal credit record in the local Credit Bureau. Consumer credit is often called the people's bank. Prompt repayment of a bank loan begets additional loans. Our personal record in meeting obligations will determine if we are to receive approval of further credit. If we meet obligations promptly we have good credit. If we do not pay our bills when due we have poor credit. With good credit we are greeted with a smile by the credit manager. With poor credit, we are asked to come back some other day.

(Turn to "Living Like a King," page 13.)

# Improving Design and Wording of Collection Notices

RUSSELL B. MITCHELL, Peoples Gas Light and Coke Company, Chicago, Ill.

**W**HENEVER the matter of collections becomes a problem, credit and collection men look around for new ideas or better methods to make their work more efficient. During the past ten years, collection problems were practically non-existent, but with apparent changes in our economy, now taking place, it would be well for all of us to ask ourselves, "How Can We Do Our Job Better?"

One way is to try to improve the "pull" of our written requests for payment, notices and letters. There has been, in recent years, a growing realization that all contacts with customers are important, both in expediting the work to be done and in gaining that good will which helps to maintain business prestige. Contacts are made in many ways and by many units of personnel. None of them may be disregarded in the customer relations program of a modern utility.

Nobody will deny that collection attempts, by mail, are also a necessary part of the campaign to win and hold good will. Difficult as it may be, a person can be made to pay a bill without incurring his ill will. This has been proved times too numerous to be disregarded. It is generally agreed that the collection notice or letter is the most economical method of collecting accounts provided it is so written as to induce a large percentage of readers to pay their bills. This method is also the most satisfactory because it is entirely under the control of its writer so that it represents the company in the most favorable light as it goes into the home of its reader.

The results that may be obtained from a good series of collection notices are theoretically unlimited. It remains only for those engaged in formulating the series to write and rewrite, test and retest the effectiveness of all mail going out to customers until the best results are finally obtained. This trial and error method requires constant, painstaking effort, but it can be made to pay off in dividends in the form of fewer final bills charged off to bad debt and in greater profits for our companies.

Almost all of our business activities undergo constant study and improvement. Why not, then, this important one? It would seem that in order to make a valid appraisal of the effectiveness of any series of collection notices, extensive surveys must be made on a representative number of accounts. This procedure, of course, takes time, but the results will show which forms in the series are weak and it only remains for the letter writer to revise those that are low in "pull" power, and to keep on revising them until the desired results are obtained.

The great danger in collections is that the work is so repetitive, it is only natural that our methods become cut-and-dried. We tend to take the various steps in the way they always have been taken. Missing is the human and personal tone which helps to encourage a "family feeling" in the customer's mind. He gets a cold notice that his bill is overdue; often in language which is stilted and lacking in what one public relations consultant has aptly called "HT," the human touch. Because so often, in our message, there is nothing to make the customer want to pay the bill, he tends to put off the action as long as

possible, and in some cases will put it off forever if we let him. We should, therefore, try to make our mail more personal, more human and more friendly.

Everyone will agree that any letter, to do the very best job, should be individually written and typed. Special circumstances and facts can then be utilized to make a really personalized appeal. However, the time and expense of handling a large volume of accounts in this way is prohibitive; consequently, the general use of forms throughout the industry appears justified.

Some companies use a form letter which is standardized, but which is individually typed. This eliminates any fill-ins that may otherwise be obvious to the reader and creates the highly desirable impression of a personal appeal. Others use a form letter which is multigraphed to simulate a typewritten letter. Fill-ins are made on a typewriter having the same size type, and, where done carefully, with respect to spacing and shading, the end result is an effective letter from the standpoint of appearance.

This question of appearance should be emphasized since we cannot overlook the fact that the letter is representing our company. How the reader feels about us and how he responds to our appeals will be influenced by the quality of our letters. A carelessly typed letter can be just as ineffective as one that is carelessly written.

Many form letters are designed for fill-ins in the middle of sentences and the space seldom fits the length of the part typed in it. This may be a give away to the reader that he is only getting a cut-and-dried notice that everyone else gets, and anything nice that may have been said in the body of the letter is immediately discounted. It is a question if such letters command the respect or attention that was anticipated.

In modern form letters, fill-ins are held to a minimum and are placed at the end of a line or, better still, at the end of a paragraph. In these letters, the typist finds it easier to do a much better job and the reader receives the impression of an individual appeal. In order not to dispel the illusion of personal treatment, form letters should be signed with pen and ink.

Where printed forms are used, it is obvious to the readers that something other than a personal appeal is being employed. However, the use of either printed forms or simulated typewritten forms is a matter for each company to decide. Perhaps a survey conducted on an individual basis would serve to determine which type of form is best suited for its purpose.

In reading material submitted by utilities in a recent survey, it is apparent that some of our letters and notices lack a friendly tone. The language used in asking for payment is cold and far from natural, and little attempt is made to disguise the fact that the printed and simulated typewritten letters are forms mailed to many. Then, too, emphasis is placed on what will happen if the customer does not pay, and not on some reason why he should. This is especially important. Credit managers in other fields of business seem to vary their approach more than we do. They seek to make each message in

the collection series a different appeal, hoping that somewhere along the line the customer will be moved to action.

Going through all of the letters and notices in the survey previously mentioned, it was possible to tabulate the number of times each of five appeals was used one or more times in each series. The tabulation may point the way to a need of more diversified attempts on our part to get the money.

#### The Appeal

	Number Companies Using it
You cannot afford to injure your credit standing	11
Be as fair with us as we have been with you	7
No doubt you have overlooked this bill	26
Threat or legal action if bill not paid	30
Legal action will cost you money and embarrassment	13

It is not surprising that the *one most potent force* in human relations, the *Golden Rule*, was called upon only seven times in the letters examined. Unless a customer can be made to realize that he should pay, how can we expect him to be in any great hurry about doing it?

The use of the old approach, "No doubt you have overlooked this payment" is logical enough in one letter in a series, but after it has been used once, it can hardly be repeated with sincerity. Yet some of the material examined showed *practically every letter* in the same series pretending that the customer has *overlooked his obligation*. Even the customer must smile at such an approach after it has been repeated several times.

You will note, too, in the above tabulation that more attention is paid to threat of legal action than to any other appeal. It was surprising in some cases to read two or three casual reminders, "Did you overlook this bill?" and run smack into a letter saying, "Either pay this bill or deal with our lawyers." Needless to say, legal action has to be mentioned at the end of the collection effort, but should it be used before every other possible appeal has been exhausted.

This need of diversity seems to be one of the most important hints to be gained from the survey. By varying our appeals, one letter in a series may strike the spark which others fail to ignite. If we knew in advance the specific reason why a particular account was not paid when due, the task of writing to that customer and collecting the money would be greatly simplified. Unfortunately, we cannot know each individual personally and so we try to visualize the average person in the group and write to him, using the same natural, easy expressions that we would use if we were talking to him across the desk.

In talking with the customer face-to-face, would you tell him that he "failed" or that he "neglected" to do this and that? Of course not! Yet these and other unpleasant, negative words which may unconsciously create resentment in the mind of the reader seem to have crept into some of our mailings. Many collection men still cling to expressions such as, "Our records show," "To close your account," and "An audit of our accounts shows" and many others. These phrases (we call them "Whiskers") have become monotonous and shelfworn

## "Living Like a King"

(Beginning on page 10.)

But whatever the record we make, it is our own. No one else made it for us. We had a free choice to do with it as we pleased.

Throughout this great country, those in the lowest income groups, through pledging their credit, are able to purchase the comforts and necessities of life within their income. If they could not and if we were to stop the use of our credit entirely our economy would tail spin into a depression. The constant and continual growth of our economy and standard of living demands a constant and continual and wise use of our personal credit. There are millions of other people who have not even started to enjoy our standard of living.

The products of our factories should be made available to the people of all other countries through the pledging of their personal credit. Then they too can prove for themselves that Communism only promises while consumer credit actually delivers. One positive way to stop Communism in its tracks is to broaden the scope of credit purchases to all the people in all countries. Let them use their credit to purchase homes, automobiles, radios, televisions, washing machines, jewelry and all the good things they yearn to own and use.

Such enlargement of our field for sales would multiply many times the production of our factories. Unemployment would become a thing of the past. President Truman's Point Four of the administration program promotes this goal, "For aid to underdeveloped countries and freedom of trade through relaxation of international controls and barriers." In the final analysis, you and I are the real employers. We should realize clearly, at least in our country, that we lose everything when we give up our independence of action. We should fight hard to retain it.

Granny did. Starting out in life with a financial zero she now has time to visit her friends and neighbors. She drives her automobile to lectures. Electrical appliances require only a few hours of her personal time to do the housework. The family enjoy together the wonderful programs received by television. And all of this was acquired by Granny and Granddad by pledging their credit. They purchased today and paid out of future income. The free enterprise system provided this opportunity. Nowhere else in the world have so many enjoyed so much in such a short time. \*\*\*

through long usage and may detract from the effectiveness of the appeal. Why not make a thorough analysis and evaluation of the forms you are now using—putting yourself in the shoes of the reader and asking, "What would be my reaction if our positions were reversed?"

As the letter series progresses to the point where a threat is to be employed, some companies use the practice of writing the "Last Resort" letter in such a way so that it seems to come from a higher level of management. This often gives the impression that his account has now passed to a higher action if the bill remains unpaid. Of course, a different name and title is used than was signed to previous letters. \*\*\*



# L. S. Crowder Honored

He was presented with a testimonial plaque by the  
Associated Credit Bureaus of America at the annual  
Conference of the N.R.C.A., Cincinnati, June 15.

## Editor's Note

At the 36th Annual International Consumer Credit Conference of the National Retail Credit Association, Associated Credit Bureaus of America, and Credit Women's Breakfast Clubs of North America, held at the Hotel Netherland Plaza, Cincinnati, Ohio, June 12-15, 1950, our General Manager-Treasurer, L. S. Crowder was presented with a testimonial plaque by the Associated Credit Bureaus of America. The presentation was made by Harold A. Wallace, Executive Vice President of that organization on the last day of the Conference, June 15, 1950.

Being a modest gentleman, Mr. Crowder was quite reluctant for us to even mention the presentation in *The CREDIT WORLD*. But, believing that our members would like to read about this well-deserved recognition, we are quoting below, the remarks of both Mr. Wallace and Mr. Crowder as transcribed from our recording machine.—Arthur H. Hert.

Ladies and gentlemen of the 36th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE, I have a special award to make. Before I make the presentation let's talk a little about the important subject of Consumer Credit. During World War II consumer credit was regulated by the Federal government. It was unfairly damned because it was said its expansion contributed to an unbalanced economy. Most of us feel that its regulation was unwise. Some people have taken every opportunity to criticize consumer credit and even to say that it is the ruination of our country; that instalment credit-buying is overburdening debtors which may eventually lead to this country's downfall. Yet, we know that consumer credit is the most vital instrument that contributes to the sound economy of this nation. This is because it is an important and necessary aid in the distribution of the many things we produce.

Consumer credit, in the opinion of most well-informed people identified with retail business, is so important that it should never be maligned or unjustly criticized in any way. Its good name should be protected. However, those of us who have the task of handling or supervising the extension of consumer credit should take into consideration one fact. While as individuals we all work toward making consumer credit valuable and because it is our livelihood, as individuals we do not contribute very much to the development of any one thing.

Recently, in the sports world, various individuals were recognized as being the finest athletes during the last fifty years, with Babe Ruth being picked as the greatest baseball player; Johnny Weissmuller as the greatest swimmer; Jim Thorpe as the greatest football player and Babe Didrikson as the greatest woman golfer, etc.

Not long ago Grantland Rice, well-known sports authority, made a significant statement. He said that if he were to be asked to pick the most courageous athlete in the last fifty years he would select Enos Slaughter of the St. Louis Cardinals. Those of us who have been privileged to see him know what that fellow puts into every game. His spirit and drive are amazing. A bunt or a ball hit almost directly to an infielder finds Enos not loafing, not trotting, but running like the very blazes to first base.

So, I would like to talk to you just a moment about another individual who likewise lives his job; one who if an award were to be made to the one individual who has contributed the most to consumer credit during the last fifty years should receive it.

Since 1914 when he started to serve in the field of consumer credit as a credit manager, subsequently as president of the National Retail Credit Association and since 1934 as its general manager and treasurer, Lindley S. Crowder has made outstanding contributions to the consumer credit field. Lindley Crowder is one of the finest personalities I have ever known. During the past six years it has been my privilege to work closely with him as he has directed the affairs of your large and important association. No, he does not satisfy everyone—nor do you or I. But, I wonder if you truly appreciate just what it means to be the general manager and treasurer of the National Retail Credit Association? He must travel all over the United States and Canada, talk to and visit with credit folks, top management, retail credit associations, credit bureau and collection service managers, etc. He must constantly put something into his job. I know he puts a lot into his work, in the field and in his office. It is a real contribution in time and effort, but Lindley is human too. He has a wonderful wife and family from whom he is away approximately 160 days out of every year. That's a lot of time to be away from home. I know, because I likewise am away that much. It has been my privilege and pleasure to have traveled with him, to have attended many meetings with him, and to have lived with him. I know of the many problems that arise in trying to satisfy the more than 26,000 members. Yet, Lindley Crowder in spite of his responsibilities is a conscientious and sincere friend. He is the kind who would "give you the shirt off his back." This gentleman to whom I would like to present this plaque on behalf of the Associated Credit Bureaus of America is the kind of a man that each of you can and would be glad to call your friend.

Lindley, I have made a few presentations in my life but I know of none other that I have ever had the pleasure to present that gives me a bigger thrill inside than the one I have right now in presenting this sincere

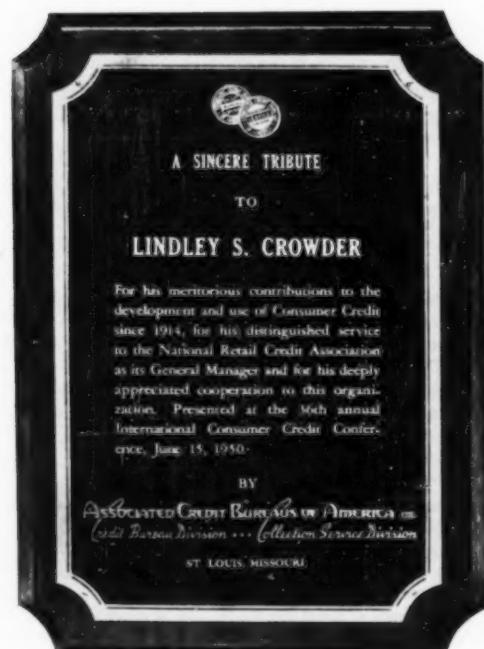
testimonial and tribute to you from the Associated Credit Bureaus of America. I would like to have you stand beside me while I read it:

"A sincere tribute to LINDLEY S. CROWDER for his meritorious contributions to the development and use of consumer credit since 1914, for his distinguished service to the National Retail Credit Association as its General Manager and for his deeply appreciated cooperation to this organization.

"Presented at the 36th Annual International Consumer Credit Conference, June 15, 1950 by Associated Credit Bureaus of America, Credit Bureau Division—Collection Service Division."

May you, Lindley, for many years to come continue to show that faith in your fellow man that you have in the past and that you continue the wonderful service you have given not only to our organizations but to the development of that most important asset of this nation—consumer credit. (Prolonged applause.)

*Mr. Crowder*—Harold, ladies and gentlemen, I can only say thank you. It has been a privilege and pleasure for a period of more than 35 years to have served in a small way to help retail credit management and credit bureau managers. As General Credit Manager for Montgomery Ward and Company it was my privilege to travel from coast to coast and it gave me an opportunity to contact some 500 bureau managers. They are a fine group of fellows and through their cooperative effort have contributed much to the improvement of consumer credit. I had no idea, of course, that anything like this was in the making. This is a beautiful plaque. I will prize it and I know Mrs. Crowder will also. Thank you very, very much. (Prolonged applause.)



**Credit Extension and Collection Guide** (Ralph A. Moffit, Manager, Credit Bureau of Springfield, Springfield, Mo., 36 pages, \$1.00.) This pocket size book covers the fundamental principles of credit extension. Briefly and clearly the essential points of new account opening, analysis and control, and collection methods and procedures are explained. Here is an admirable and inexpensive primer that could be profitably handed to each new member of the credit department and credit bureau in order to give the necessary orientation to the newcomer in credit work.



**Profitable Time and Money Saving Ideas for Credit and Collection Departments** (Credit Management Division, N.R.D.G.A., 100 West 31st St., New York 1, N. Y., 62 pages, \$4.00 to non-members, \$2.00 to members.) This book contains 101 profitable time and money saving ideas compiled by A. L. Trotta, Manager of the Division. They were secured from members from all parts of the country. The book is divided into the following sections: Collections, Interview and Customer Service, Mechanical Devices, Procedures, Postage and Supplies Savers, Credit Bureau Service and Miscellaneous.



**How to Organize and Operate a Small Business** (Prentice-Hall, 70 Fifth Avenue, New York 11, N. Y., 803 pages, \$6.65.) The essence of this book is an attempt to simplify modern methods of business operation, as practiced by large concerns, in order to adapt them to small business units. The authors, Pearce Kelley and Kenneth Lawyer, address themselves to the small businessman whose business is limited as to plant, number of employees and capital resources. The book covers all four sectors of small business: retail, wholesale, manufacture and service.



**How to Write Better Business Letters** (McGraw-Hill Book Co., 330 West 42nd St., New York 18, N. Y., 238 pages, \$3.00.) This up-to-date third edition discusses the principles involved and the procedures to follow in preparing and dictating effective business letters. Practically every kind of letter, from sales, inquiry, complaint and collection, to application and routine, is analyzed by the author, Earle A. Buckley, whose aim is to help you write letters that get results. Completely revised and packed with new examples of both good and bad letters, it illustrates the right and wrong ways of putting a letter together. Principles used by the country's foremost letter writers and correspondents are outlined and explained and you are shown how to apply them to your own specific problems.



**Tested Credit and Collection Letters** (National Retail Credit Association, 218 Shell Bldg., St. Louis 3, Mo., 48 pages, 100 letters, \$2.00.) This new book by W. H. Butterfield will be off the press soon. Order now.

# ASSOCIATED CREDIT BUREAUS OF AMERICA NAMES TEN INTERNATIONAL AWARD WINNERS

## Five Members from Each Division Win Plaques in Annual Program

**I**N ACCORDANCE with a four years' custom, the Associated Credit Bureaus of America's International Achievement Awards were presented at Cincinnati at the last meeting of the International Consumer Credit Conference. These awards—given annually to five credit bureau managers and five collection service managers—are part of the ACB of A's program to recognize superior service where it exists and inspire other members to improve their own performance.

For the 1949-50 awards, ACB of A's nine districts nominated 44 credit bureau managers and 43 collection service managers from five different population brackets. Contestants were judged on the basis of (1) good service; (2) civic responsibility; (3) cooperation with state, district and national credit associations; and (4) distinguished service in the field of credit reporting or collection service.

Decision as to the final credit bureau winners is made by the Credit Bureau Division Committee; collection service winners are elected by the Collection Service Division Committee. All contestants are anonymous, since they are identified to the committees by number only.

The award plaques bear this inscription: "For unselfish service . . . and meritorious contributions to the (credit bureau or collection) profession . . . in our program to better serve the credit granters of North America."

The award winners' achievement is due in part to the credit granters of their own communities; without the cooperation of progressive business and professional people, no credit bureau or collection service office could even begin to render a service termed "outstanding."

With fine cooperation from credit granters, and with the help of loyal, efficient office personnel, the ten ACB of A members shown on the next page have won international acknowledgment for their leadership.

### Collection Service Division Winners

Manager *Joseph L. Tuepah* of the Credit Bureau of *Oneonta, New York*, was winner for collection managers in cities of 15,000 and under.

Now vice president of the Associated Credit Bureaus of New York State, Mr. Tuepah is a well known figure

in state credit activities. He is a member of the Oneonta Kiwanis and Elks clubs.

Manager *Bruce K. Ward* of the Credit Bureau of *Casper, Wyoming*, won the award for offices in his population bracket (15,000 to 25,000).

Mr. Ward is chairman this year of the Collection Service Division for the Associated Credit Bureaus of the Rocky Mountain States. Among other local activities he is a member of the Casper Rotary Club.

This year's ACB of A president, Manager *George P. Johns* of the Credit Bureau of *Decatur, Illinois*, was named collection service award winner for the 25,000-to-100,000 population bracket.

Mr. Johns has served as past president of both his state and district associations. In February, 1950, he won the Thomas Hite trophy, as the outstanding collection manager of the Fifth district. He has for many years been a leader in most of Decatur's worthwhile organizations.

*Edgar H. Biermann*, manager of the Credit Bureau of *Des Moines, Iowa*, was named winner for collection service offices in the 100,000-to-250,000 population bracket.

Mr. Biermann served last year as ACB of A national director for his district, and in the past has been president of both his state and district organizations. In the field of credit reporting he has built a wide reputation for the successful management of Des Moines' "Blue Book." Mr. Biermann is equally an authority on techniques and standards of ethics for the collection profession.

Collection Manager *Dale Boley* of the Credit Bureau of *Greater Kansas City (Missouri)* won the award for offices in the 250,000-and-up bracket.

Mr. Boley has twice been elected chairman of the Collection Service Division of the Associated Credit Bureaus of the Midwest, and is well known nationally in credit and collection circles.

### Credit Bureau Division Winners

Manager *Bernadine Thompson* of the Credit Bureau of *Greenville, Alabama*, was named credit bureau winner for offices in the 15,000-and-under population bracket.

Miss Thompson is active in credit affairs both in Alabama and in the Associated Credit Bureaus of the Southeast. She has served four terms as secretary-treasurer of the state association, and was appointed to represent Alabama on the Credit Bureau Management Institute Board at the University of North Carolina.

*Bremerton, Washington's* Credit Bureau of Kitsap County Manager *Avadana Cochran* won the award for bureau managers in cities from 15,000 to 25,000.

Miss Cochran has served as president of both the Associated Credit Bureaus of the Pacific Northwest and the Credit Women's Breakfast Clubs for the same region. She was also elected president of the Pacific Northwest

Council and was the first president of the Credit Women's Breakfast Clubs of North America.

*Walter Graff*, manager of the Credit Bureau of *Lansing, Michigan*, was named winner for bureaus in the 25,000-to-100,000 population bracket.

Mr. Graff served as president last year of the Associated Credit Bureaus of the Fifth District. He has twice been elected president of the Associated Credit Bureaus of Michigan, and has been secretary-treasurer of his state association for four years.

Manager *C. L. McCalip* of the Credit Bureau of Greater *Peoria (Illinois)* won the award for credit bureaus in the 100,000-to-250,000 population bracket.

A former president of the Associated Credit Bureaus of Illinois, McCalip is widely known for the diversified service he offers local credit granters and his fine cooperation with public and police officials.

Manager *C. A. Wildes* of the Credit Bureau of *Minneapolis, Minnesota*, won the credit bureau award for cities in the 250,000-and-over population bracket.

A former president of the Associated Credit Bureaus of Minnesota, Mr. Wildes has held the position of secretary for the state association for several years. He has also served as secretary for his district credit association, and only recently was elected to represent the district on ACB of A's board of directors.

### Value of International Award Program

In recognizing outstanding credit bureau and collection service managers, the Associated Credit Bureaus of America has developed an incentive system to improve service to credit granters everywhere.

ACB of A past president Harry P. Earl of Salt Lake City, a former award winner, says, "The recognition for good work really gives one a big lift, because he realizes that his efforts to do a better job have been endorsed and recognized. Most important of all, it is a challenge to keep alert and abreast of the times. Progress comes only through continued effort to improve."

### Past Award Winners

Winners of awards in the past for outstanding collection service are: Edward J. Strasma, Kankakee, Ill.; Ted E. Barger, Lincoln, Neb.; W. D. Woolley, Tulsa, Okla.; Earle B. Dows, Minneapolis, Minn.; Ralph L. Printz, Canon City, Colo.; William I. Korpela, Shawnee, Okla.; Harry E. Boyd, Alton, Ill.; Earl A. Riley, Bridgeport, Conn.; Frank E. Sherod, Cleveland, O.; Paul O. Krueger, Emporia, Kan.; Roy R. Dexter, Vancouver, Wash.; Jerry Harris, El Paso, Tex.; Newton D. Bartle, Syracuse, N. Y.; and Carson L. Bard, Louisville, Ky.

Past credit bureau award winners are: Louis E. Ludke, Fort Dodge, Ia.; James D. Hays, Harrisburg, Pa.; George C. Robinson, Richmond, Va.; Leo S. Gilbert, Atlanta, Ga.; Margaret Huggins, Hickory, N. C.; William F. DeVere, Cheyenne, Wyo.; Max Meyer, Lincoln, Neb.; Harry P. Earl, Salt Lake City, Utah; Fred Krieger, Milwaukee, Wis.; Della Bird, Arkansas City, Kan.; Burdette D. Gardner, Hornell, N. Y.; Robert G. Troper, Greensboro, N. C.; Charles E. Moorman, Jacksonville, Fla.; and J. E. R. Chilton, Jr., and Howard G. Chilton of Dallas, Tex.



Joseph L. Tuapeah  
Oneonta, N. Y.



Bernadine Thompson  
Greenville, Ala.



Bruce K. Ward  
Casper, Wyo.



Avandana Cochran  
Bremerton, Wash.



George P. Johns  
Decatur, Ill.



Walter Graff  
Lansing, Mich.



Edgar H. Biermann  
Des Moines, Ia.



C. L. McCalip  
Peoria, Ill.



Dale Boley  
Kansas City, Mo.



C. A. Wildes  
Minneapolis, Minn.

# 1950-51 Committee Appointments

President Wolfinger has appointed the following committees to serve for the year 1950-51:

## Executive

Dean Ashby, J. L. Brandeis & Sons, Omaha, Neb.  
Hugh L. Reagan, The Cain-Sloan Co., Nashville, Tenn.  
R. T. Schatz, Washington Water Power Co., Spokane, Wash.

## Finance

Royce Sehnert, *The Wichita Eagle*, Wichita, Kan., *Chairman*.  
David D. Bolen, Famous-Barr Co., St. Louis, Mo.  
Hugh L. Reagan, The Cain-Sloan Co., Nashville, Tenn.

## Legislative

Joseph A. White, Harris Stores Co., Pittsburgh, Pa., *Chairman*.  
John K. Althaus, Associated Retail Credit Men, Washington, D. C.  
E. M. Arthur, Woodward & Lothrop, Washington, D. C.  
S. E. Collegeman, S. Kann Sons Co., Washington, D. C.  
C. F. Roycroft, Credit Bureau of Baltimore, Baltimore, Md.  
R. M. Severa, Credit Bureau of Greater New York, New York, N. Y.  
J. P. Stedehouder, Lansburgh & Brother, Washington, D. C.

## Credit Education

F. W. Walter, The Bailey Co., Cleveland, Ohio, *Chairman*.  
Frank Batty, 85 Moraga Highway, Orinda, Calif.  
L. A. Buzard, Frederick & Nelson, Seattle, Wash.  
F. Wm. Johnson, Neiman-Marcus, Dallas, Texas.  
John D. Kemper, Marshall Field & Co., Chicago, Ill.  
A. S. Kleckner, The Namm Store, Brooklyn, N. Y.  
K. V. Steenson, Midwest Oil Co., Minneapolis, Minn.  
A. G. Wilson, The Robert Simpson Co. Ltd., Toronto, Ontario, Canada.

## Credit Bureau Relations

David D. Bolen, Famous-Barr Co., St. Louis, Mo.  
Charles D. Reno, Scruggs-Vandervoort-Barney, St. Louis, Mo.

## CREDIT WORLD

Rex A. Smith, Ben Simon & Son, Lincoln, Neb., *Chairman*.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

Alexander Harding, John H. Pray & Sons, Boston, Mass.

William Colburn, Savard & Colburn, Albany, N. Y.  
H. C. Alexander, Belk Brothers Co., Charlotte, N. C.  
K. F. Blue, Foundation Plan, New Orleans, La.  
Lawrence Oberhausen, Laison Brothers, Toledo, Ohio.

E. G. Nordstrom, Peterson-Harned-Von Maur, Davenport, Iowa.

Earl Beard, National Bank of Tulsa, Tulsa, Okla.  
L. E. Blowers, Household Furniture Co., San Antonio, Texas.

Eldon L. Taylor, Glen Brothers Music Co., Salt Lake City, Utah.

Chalmer Blair, Braley & Graham, Portland, Ore.  
Charles S. Gallagher, Farmers Union Hardware Co., San Jose, Calif.

H. A. Clarke, Boggs & Buhl, Pittsburgh, Pa.  
John Schneeberger, The Borden Co., Chicago, Ill.

## Membership

F. Wm. Johnson, Neiman-Marcus, Dallas, Texas, *Chairman*.

George B. Allan, Credit Bureau of Springfield, Springfield, Mass.

Gerald M. Brooks, McFarlin Clothing Co., Rochester, N. Y.

Charles E. Evans, The August W. Smith Co., Spartanburg, S. C.

R. E. Buckingham, Credit Bureau of Nashville, Nashville, Tenn.

E. F. Overstreet, Ewing, Von Allmen Dairy Co., Louisville, Ky.

Earl Higgins, Associated Retail Credit Bureau, Omaha, Neb.

E. F. Callaway, Pfeifer's of Arkansas, Little Rock, Ark.

Eldon L. Taylor, Glen Brothers Music Co., Salt Lake City, Utah.

Phil Schroeder, Phil Schroeder Inc., Tacoma, Wash.

David Blair, H. Liebes & Co., San Francisco, Calif.

Charles F. Sheldon, Philadelphia Credit Bureau, Philadelphia, Pa.

Carl Prosser, The Boston Store, Milwaukee, Wisc.

## Research

W. E. Ryan, Broadway Department Store, Los Angeles, Calif., *Chairman*.

Herbert A. Baker, L. S. Ayres & Co., Indianapolis, Ind.

Harley J. Boyle, The Crescent, Spokane, Wash.

John R. Clarke, Monnig's, Fort Worth, Texas.

Fred Cox, Gold & Co., Lincoln, Neb.

C. Glenn Evans, Halle Brothers, Cleveland, Ohio.

Philip Gleason, Abercrombie & Fitch, New York, N. Y.

Cecil V. Shaw, Denver Dry Goods Co., Denver, Colo.

Thomas M. Topp, Hale Brothers, San Francisco, Calif.

# National Membership Activities

## Roll of Honor

Here is the roll of New National Units which have been organized since June 1, 1950:

City	Date	Number
Bingen, Washington	July 10, 1950	15

Let's all help F. Wm. Johnson and his membership committee get at least 2,000 new members during the coming year. For a list of the committees see the opposite page.

## Membership Prizes, 1950-51

Prizes of \$100.00 each are to be awarded to the following chairmen reporting the largest number of new members:

Local Chairman—100 members minimum.

State Chairman—200 members minimum.

District Chairman—500 members minimum.

Only one chairman in each group is to receive an award and it will be based on the greatest number of members reported. In addition, the first credit bureau manager reporting 100 per cent National affiliation (all members), provided the minimum is 100 members, will receive \$100.00 in cash.

Pen and pencil sets will be awarded to:

1—The president of the National unit making the greatest gain in membership.

2—The secretary of the National unit making the greatest gain in membership.

3—The credit manager for outstanding membership work.

4—The bureau manager for outstanding membership work.

Gavels, properly inscribed, will be given to Credit Associations as outlined below organized between June 1, 1950 and May 25, 1951, as follows:

1—First National unit of more than 25 members organized during the fiscal year.

2—Unit making the greatest membership gain.

3—Local Associations in cities up to 50,000 population organizing a National unit of 25 or more members.

4—Local Associations in cities up to 100,000 population organizing a National unit of 50 or more members.

5—Local Associations in cities of 100,000 to 250,000 population organizing a National unit of 75 or more members.

6—Local Associations in cities of over 250,000 population organizing a National unit of 100 or more members.

## CREDIT, COLLECTION, BUSINESS MEN AND SKIP TRACERS! YOU CANNOT AFFORD TO BE WITHOUT THIS BOOK

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### SKIP TRACING

Procedure for the individual skip tracer.

Procedure for the firms of volume business.

Fourteen different ways to locate a skip without a registered letter.

A letter to former employers that will bring phenomenal results.

Eleven stories of actual cases where the skip has been located, and the account collected through these skip tracing and collection methods.

How, where and where to send registered letters.

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Analyzing returned registered letters.

How to find the job.

Tracing the guarantor.

Tracing the guarantor's job.

A concrete case.

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by

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For All States

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Firm Name.....

Address.....

City..... Zone..... State.....

"This is the GOLDEN KEY that unlocks thousands of dollars in accounts that have defied every known skip-tracing procedure.

"We have used your methods on a number of accounts that date back OVER SIX YEARS with phenomenal results."—Stellers Jewelry, Milwaukee 6, Wis.

"The results I have already in tracing some of my 'closed file' skips have been overwhelming and profitable."—G. Nelson, Nevada Recovery Bureau, Las Vegas, Nevada.

"BOOKS—We are sending check in payment of 21 copies of your book. Kindly ship to the following address."—Merchants Acceptance Corp., Worcester 8, Mass.

"BOOKS—We placed one or more copies in each of our offices. Many thousands of dollars worth of skip accounts have been located through the direct result of your book."—Miller Management Co., Nashville, Tenn.

5,000 SATISFIED USERS CAN'T BE WRONG

# CREDIT FLASHES

## Position Wanted

**CREDIT MANAGER-CONTROLLER.** Position wanted by well-experienced man, age 46, now employed. Eight years large chain retail and mail order traveling auditor. Credit supervision and management experience. Sound business and financial judgment. Locate anywhere or will travel. Box 8502, The CREDIT WORLD.

### Louisiana State Meeting

The 20th annual conference of the Louisiana Credit Association, Credit Women's Breakfast Clubs of Louisiana, and the Associated Credit Bureaus of Louisiana, will be held at the Heidelberg Hotel, September 17, 18 and 19, 1950, in Baton Rouge, La.

### Credit School in Chicago

A course in Retail Credit Fundamentals is being sponsored by the Associated Retail Credit Men of Chicago, Chicago, Ill., this fall. Although the course is designed primarily for the less experienced but ambitious credit worker, it will also be of value as a refresher course for the experienced credit worker. Dr. Richard M. Clewett, Assistant Professor of Marketing, Northwestern University, has been engaged as instructor. Classes will begin September 27 and continue for eight weeks with one class of two hours' duration a week.

### New Position for A. D. Arnold

The general offices of Pearson's Furniture and Music stores, Indianapolis, Indiana, announces the appointment of A. D. Arnold as General Credit Manager. Pearson's maintain branch stores in seven other Indiana cities.

### Cincinnati Conference Photograph

Shown below is a photograph of the delegates who attended the first general session of the 36th Annual International Consumer Credit Conference of the National Retail Credit Association, Credit Women's Breakfast Clubs of North America, and the Associated Credit Bureaus of America, Hotel Netherland Plaza, Cincinnati, Ohio, June 12-15, 1950.



## Coming District Meetings

**District Three** (Florida, Georgia, North Carolina and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi and Tennessee) will hold a joint annual meeting in Chattanooga, Tennessee, April 8, 9, 10 and 11, 1951.

**District Six** (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin and Manitoba, Canada) will hold its annual meeting in Davenport, Iowa, February 18, 19 and 20, 1951.

**District Seven** (Arkansas, Kansas, Missouri and Oklahoma) will hold its annual meeting at the Mayo Hotel, Tulsa, Oklahoma, March 11, 12 and 13, 1950.

**District Eight** (Texas) will hold its annual meeting in Galveston, Texas, May 20, 21 and 22, 1951.

**District Nine** (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Plains Hotel, Cheyenne, Wyoming, May 6, 7 and 8, 1951.

**District Ten** (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) will hold its annual meeting at the Multnomah Hotel, Portland, Oregon, May 19, 20, 21 and 22, 1951.

## For Sale

**CREDIT BUREAU** with Collection Department in East Texas town of 10,000 population. Will pay for itself in a year under present membership and with energetic owner, membership can be doubled. Excellent opportunity. Full details furnished on request. Do not apply unless you have at least \$3,500.00 to invest. Give details as to your experience in this field, personal history, age, race, marital status, church and lodge affiliations. Box 9502, The CREDIT WORLD.

# National Conference on Consumer Credit

A NATIONAL Conference on Consumer Credit will be held at the Shoreland Hotel, Chicago, Ill., October 5 and 6, 1950. The conference will be jointly sponsored by the College of Commerce and Business Administration, University of Illinois and trade associations including: National Retail Credit Association; Associated Credit Bureaus of America; American Industrial Bankers Association; Consumer Bankers Association; Credit Union National Association; Illinois Automotive Trade Association; Credit Management Division, N.R.D.G.A.; National Association of Credit Men; Illinois Consumer Finance Association; Retail Credit Institute of America; National Consumer Finance Association; and American Finance Conference.

The program includes the following addresses by men prominent in the field of credit:

"Consumer Credit in Economic History to Date,"

Donald L. Kemmerer, University of Illinois.

"Consumer Credit and Distribution Today,"

Manfred L. Behrens, Ludwig Bauman, New York, N. Y.

"The Laws Governing Consumer Credit,"

Thomas W. Rogers, American Finance Conference, Chicago, Ill.

"The Measurement of Consumer Credit,"

Ralph Young, Federal Reserve Board, Washington, D. C.

"Business Outlook, 1951 and Beyond, and the Role of Consumer Credit,"

Morris Livingston, Standard Oil Company of Indiana, Chicago, Ill.

"The Demands for Consumer Credit,"

Avram Kisseloff, New York, N. Y.

"The Effect of Consumer Credit on Business Fluctuations."

Ernst A. Dauer, Household Finance Corporation, Chicago, Ill.

"Consumer Credit and the Family,"

Reavis Cox, University of Pennsylvania, Philadelphia, Pa.

A panel discussion will be conducted on the subject "Interpretation and Misinterpretation of Consumer Credit Measurements." Howard R. Bowen will be moderator and the summary will be given by Dr. Theodore H. Beckman, Ohio State University, Columbus, Ohio. D. D. Bolen, Credit Manager, Famous-Barr, St. Louis, Mo., and Past President of the N.R.C.A., will be the Association's official representative and will take part in this panel discussion along with: Ralph Young, Myron R. Bone, Clarence E. Wolfinger, President, N.R.C.A., Paul Selby, George F. Rock, William L. Wilson, and William J. Cheyney.

Another panel discussion will be held on "Demand-Supply of Consumer Credit and Economic Stability." Paul M. Van Arsdell, University of Illinois, will be moderator and the summary will be given by Albert Haring, Indiana University, Bloomington, Ind. The conference summary will be given by Harvey W. Huegy, University of Illinois, Urbana, Ill.

The program has been designed to highlight the place and function of consumer credit in our present economy, in terms that will be of practical interest both to business and to professional men in the field. The success of a conference of this type will depend upon the interest and support of the industry. Every member of the N.R.C.A., who can possibly do so, should attend this conference.

## Membership Activities in Trenton

Harry Voorhees, Assistant Treasurer and Comptroller, Nevius-Voorhees, Trenton, New Jersey, and Daniel Graziano, Manager, Credit Bureau of Trenton, have been appointed co-chairmen for the local membership drive of the N.R.C.A., by A. Harry Glogoff, Goldberg Department Store, state membership chairman and Vice President of District Two. The following were named to the membership committee: Edward Gallagher, Swern & Co.; Elsie Shack, S. P. Dunham & Co.; George Kreiger, Yards; Russell DeCara, Hurley-Tobin Co.; Mrs. Hazel Llewelyn, Rifkin & Co.; Thomas W. Gratton, Reid's; Erwin Wainer, Stacy Sport Shop; William Aronson, Standard Adjustment Agency; Harry Thomas, Sears, Roebuck & Co.; Walter F. Mahaney, Personal Finance Co.; and Joseph Martin, Hurley-Tobin Co., who is also national director for District Two. As we go to press, 17 new members have been received through the excellent work of this committee.

## For Sale

Growing Credit Bureau and Collection Department in North Central Missouri town of 15,000. Good trading area. Reasonable. Convenient terms. Box 9503, The CREDIT WORLD.

## Promotion for Howard Hourigan

Howard Hourigan, divisional credit manager, Crowley, Milner & Co., Detroit, Mich., has been promoted to manager of adjustment service. For over 22 years he has been working in close contact with Crowley charge account customers. Mr. Hourigan was president of the Detroit Retail Credit Association for 1949-50.

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# CREDIT DEPARTMENT Letters

## LEONARD BERRY

**C**OLLECTION PROBLEMS are part of every credit executive's responsibility. It is possible, of course, to reduce them by adopting a restrictive credit policy and exclude all but the very best and safest applications. However, few managers of credit sales believe that such would be best for the store, even though it might result in a near-perfect collection percentage, and a lessening of their problems and difficulties.

An inevitable result of a sales-minded credit policy is the creation of collection work, but the additional sales volume gained is worth the effort. Retail credit is an important factor in our economy and has performed an impressive part in developing the American standard of living. Rather than restrict credit to an undue extent, and thus hamper it in its essential role of goods distributor, we must know how to manage the resulting collection details easily and economically.

Included in the total collection operation are two relatively minor problems that nonetheless give particular concern to the credit grantor. The first is the customer who pays on account, seldom or ever the account in full, but only a *part* of it. The second is equally exasperating, the customer who owes a small balance, usually under three or four dollars, and allows it to remain unpaid for several months. Each of these two situations poses a particular problem in procedure.

Usually the partial payer feels that the store should be properly grateful for the amount paid, and is inclined to resent bitterly collection effort for the unpaid amount. Even a gentle reminder is likely to be met with indignation that the store should be so rigid and unreasonable in payment requirements.

With the steady growth in the use of retail credit, and the increasing number of customers undertaking credit obligations, it is important that credit grantors insist on proper respect for terms. If customers are tacitly permitted to pay as they see fit, then the customer, not the merchant, is making the terms. Few credit authorities will agree that this is wise or sound.

On the other hand, the partial payment *does* show, to some extent, the good faith of the customer, and especially if the payment is a substantial portion of the total amount, credit managers are understandably tempted to let the matter ride, hopeful the following month will bring about full settlement. Too often a vain hope. Partial payment becomes habitual.

Those stores having some type of Permanent Budget Account arrangement can tactfully suggest to the chronic partial payment customer that undoubtedly she would prefer to make set monthly payments, and still purchase requirements as needed. The service charge added to such accounts compensates the store for the longer credit facilities and additional accounting work.

However, those not having any such arrangements must either suffer in silence or do some special collection education. It would be well if all credit granters establish a definite policy of following up accounts not paid exactly as the terms agreed upon provide. Only in that way will we be successful in fixing in the mind of the customer that terms are stated.

Such a policy would have its beneficial aspects in credit sales promotion, as the paid up and the prompt pay customer are the best prospects for further sales. Credit granters are often plagued by the small unpaid balance. Usually this comes about by a small amount only having been charged, or left over from a previous bill, and being small is deemed by the customer as unworthy of a check or a trip to the cashier's window. Accordingly, month after month statements are sent out, and collection analysts ponder what to do.

The cost of billing and collecting small amounts is about the same as with larger and out of all proportion to the dollars involved. Often credit managers would prefer to forget these annoying small balances, but of course, that is not possible. Individually small, in the aggregate they are a sizable sum. Also, we must educate credit users that it is just as important to pay small bills as larger. Neither the partial payer, nor the small balance procrastinator should go unreminded of their faults.

### This Month's Illustrations ➔

*Illustration No. 1.* J. P. Olive, Credit Sales Manager, The Fair, Fort Worth, Texas, in this splendid small balance letter tells the customer in friendly manner that small balances are costly for the store to handle. The letter is short as befits a small matter, but its conciseness does not rob it of cordiality.

*Illustration No. 2.* H. B. Smith, Credit Manager, M. L. Parker Company, Davenport, Iowa, achieves his message to the partial payer in this effective letter with an economy of words and yet a warmth and interest that should convince the reader. Mr. Smith leaves no doubt that he expects prompt payment.

*Illustration No. 3.* Herbert A. Baker, Credit Manager, L. S. Ayres Company, Indianapolis, Indiana, uses this partial payment letter to good advantage in pointing out that the account has been permitted to get past due and suggesting that no further charge purchases be made.

*Illustration No. 4.* Gerald M. Brooks, Credit Manager, McFarlin Clothing Company, Rochester, New York, here in a clear straightforward manner expresses appreciation for the payment made, at the same time points out that full payment must be made in order to enjoy the best credit service and maintain a desirable credit standing.

**The Fair**

FORT WORTH  
TEXAS

July 11, 1950

Mr. W. B. Smith  
7th & Throckmorton  
Fort Worth, Texas

Dear Mr. Smith:

It's such a small amount --- that you probably haven't bothered about it --- neither have we, but as long as it is on the books the book-keeper has to carry it over at the end of each month --- and the cost of sending reminders, on such small amounts, is out of proportion to the amount involved.

So won't you, please, enclose your check for this amount --- and the enclosed statement --- in the reply envelope and mail it back to us now --- before you lay this letter aside!

Thank you.

Sincerely yours

*J. H. Collier*  
J. H. Collier  
Credit Sales Manager

JHC:mc



**M. L. PARKER COMPANY**

DAVENPORT IOWA

July 7, 1950

Mr. John Brown  
819 North State St.  
Davenport, Iowa

Dear Mrs. Brown:

Thank you for your recent payment, which has been applied to your account leaving a balance due of \$8.15.

Since this balance is considerably beyond our terms, we shall appreciate your prompt payment. Would you be unable to pay in full, won't you please let us know your plans?

Thank you.

Cordially yours,  
M. L. PARKER COMPANY

*W.B. Smith*  
Credit Department

MS/12

**L. S. AYRES & COMPANY**  
INDIANAPOLIS

CREDIT MANAGEMENT

MANAGERS OFFICE

July 15, 1950

(3)

Mr. John Blank  
3000 Main Street  
Indianapolis, Ind.

Dear Mr. Blank:

In examining your account, given below, our records show that partial payments are being received instead of payment in full in accordance with our 30-day terms.

We shall appreciate an additional remittance to cover the past due amount. Also, we shall understand that further purchases will not be added to your account until the overdue portion has been paid.

Very truly yours,

*Henry C. Collier*  
Collecting Division  
L. S. AYRES & COMPANY

Cla

July 15 balance	\$35.00
April 30 bal.	\$ 5.00
May bal.	5.00
June bal.	10.00
July bal.	10.00
Balance Due	\$35.00

**McCALLIN CLOTHING CO.**  
ROCHESTER 4, NEW YORK

July 21, 1950

(4)

Mr. John Blank  
196 Main Street East  
Rochester 4, N. Y.

Dear Mr. Blank:

Account \$10.00

Recently we notice that you made a partial payment on your account, and we assure you that this spirit of cooperation is appreciated. However, your account was opened on a thirty day basis, and due for payment the following month.

We are bringing this to your special attention, thinking that there has been some misunderstanding as to our terms; and suggest that a remittance be sent us for the amount past due.

We value your account highly and know that you wish to protect your credit standing so that we may continue to render the best possible service to you in the future.

Very truly yours,

*J.W. Cook*  
McCALLIN CLOTHING COMPANY  
Credit Manager

CIBO



## Items of Interest From the NATION'S CAPITAL

HAROLD L. SCHILZ, Counsel, National Retail Credit Association, Washington, D.C.

### Korean War and the National Economy

By the time that this article appears in print drastic changes affecting every phase of our economic life and governmental administration will probably have come about. In the eight weeks that the country has been engaged in the Korean campaign, our military leaders have, from time to time, advocated total mobilization of this country's man power and resources. Apparently the people of the United States, as their opinions are reflected through the Chief Executive and Congress, have not been prepared as yet to go this far in complete all-out preparation for war.

It appears that we are on the threshold of full rearment—the process of turning plowshares into swords. A backward glance at the experience of World War II gives some indication of what may be expected under the heading of total mobilization. Transportation and shipments would be allocated and directed. Prices and wages would be frozen, and all basic consumers' supplies would be rationed. Man power controls may be imposed of a character exceeding those that were in effect in the last war. In other words, if world conflict comes about, every one of the adult population, both men and women, may find that they are allocated to perform certain duties.

The nearest approach that has come to governmental control are the bills that are being debated in the Senate at the present time and have passed the House of Representatives at the time of this writing which will establish in the Executive Department of the Federal Government complete control of wages and prices. This has been stimulated by the so-called "scare buying" which appeared in exaggerated form during the first month of the Korean war. However, there has been a definite downward trend during the preceding few days in the amount of buying of articles that were in so much demand during the previous weeks such as with respect to sugar, hosiery and tires. There has been some speculation as to whether or not, when wages are frozen, the minimum level will be increased to \$1.00 per hour. This will be one of the ways in which both wage controls and price controls will affect even the smallest business.

### Price Controls

Immediately after the President addressed Congress on July 19, 1950, bills were introduced in both Houses of Congress to provide for control of consumer credit, and the President promulgated an order which somewhat increased the control terms on money for veterans' housing. It is quite likely that by the time this article is published, control over consumer credit in a form similar to Regulation W that was in effect in World War II will have been imposed under direction of a Congressional law. However, it is understood

that the Federal Reserve Board officials have been seeking the advice and viewpoints of representatives of outstanding retail and credit organizations in order to formulate a regulation which will promote the general economy of the country and be as little disturbing to it as possible under the circumstances. The president of your organization, Clarence E. Wolfinger, has been present during a series of such conferences and has kept in constant touch with General Manager Crowder concerning the principal developments.

The demand for consumer credit controls came in large part from the "scare buying" of the first month or six weeks of the Korean war. That so-called "scare buying" of course came about from the general public which assessed what has happened in Korea upon the basis of its recent experience in World War II. As a result, reports from all of the leading commercial centers of the country indicated that there had been tremendously increased purchasing activities for household goods, automobiles, tires and replacements of even household appliances such as refrigerators, washing machines, vacuum cleaners and freezers. Spokesmen for wholesalers have complained about the excessive buying of such staples as coffee, sugar, soap and canned goods. The result of this was to push more rapidly the government into clamping on controls for the purpose of checking increasing inflation in prices. The average consumer apparently discounted the availability of huge stores of surplus foods which the government has on hand.

The headlong step-up in consumer purchases, particularly on "hard" goods such as automobiles and household appliances, would indicate the need for the exercise of even greater caution on the part of credit executives. Consumer credit granted on instalment purchases has been reported to be at an all time high, reaching a total of about \$20 billion dollars.

While the President will be granted power to impose rationing on goods, the present attitude which he has indicated, leads me to believe that such power will be used sparingly and that there will be no drastic imposition of such controls even though the power exists to apply them overnight. Defense demands of course will accumulate gradually and in addition it takes time to set up control machinery that will be workable. There might be some need in the winter of rationing fuel oil for home consumption, and as to automobiles and household appliances, the general indications are to let controls of consumer credit "ration" them.

### Excise Taxes

The Korean campaign has entirely changed the picture on the hoped for cuts in excise taxes. This Association was backing the repeal and cuts in telephone, telegram and transportation taxes, and such taxes on jewelry, cosmetics, furs,

(Turn to "The Nation's Capital," page 27.)



## Pittsburgh Pioneers in Transit Ads

THIS YEAR, for the first time in its history, the Retail Credit Association of Pittsburgh, Pennsylvania, is utilizing transit advertising to educate the credit consumer to use credit wisely and to pay bills promptly. At a meeting last February the Publicity Committee decided that, from the standpoint of high coverage and circulation at low cost, transit advertising might be considered as a new approach to the subject of consumer credit education. On March 2, 1950, the Association contracted for full service in the buses and for a quarter service in the streetcars, each for three months. This means that our message appeared in every bus and in one of every four streetcars. Because of budget limitations, we could not arrange for full service.

The 11" x 14" card, illustrated below, appeared on April first. Designed to be quickly readable, it was printed in the new DAY-GLO fire orange on a dark blue DAY-GLO background color. Full credit for the "punch line," CREDIT IS YOUR SERVANT should be given to National Transitads who suggested it to us. This attractive card remained on display for six weeks. On May 15, it was replaced by one of gold and blue color. Conventional colors were used rather than DAY-GLO since one card for each of our 1,133 members was ordered in addition to those required for transit display. They were distributed to the entire membership by mail, with a letter from the President of the Association requesting that they be displayed prominently. A spot check has been made recently and we are pleased to find that our educational card occupies a prominent place at almost every office visited.

The area covered by the service includes, in addition to the City of Pittsburgh proper, two third-class cities (Duquesne and McKeesport), fifty-four Boroughs and twenty-eight Townships. Streetcar and bus service is provided by the Pittsburgh Railways Co., with a fleet of 1,093 streetcars traveling an average of 107,204 miles a day; and the Pittsburgh Motor Coach Co. fleet of 181 buses traveling an average of 19,809 miles a day.

The population of the areas served is well over 1,000,000 and 1947 retail sales for the area are estimated at almost \$800,000,000. The story of coverage is best expressed by the fact that 7.9 out of 10 persons each average 35 streetcar and bus rides a month. In addition to these "regular riders" there are many occasional riders. It is generally recognized that the Housewife is the most important buyer of consumer goods—and the one who pays the bills. Transit advertising offers 81 per cent coverage to this group and they ride frequently, averaging 25 rides each month.

The story of circulation can be expressed in one sentence. Rides (not to be confused with riders) based

on a twelve month average, total 27,272,045 each month. This particular promotion of prompt payment has resulted in favorable comment, both in and out of the credit profession and we feel that another idea has been added to those successful ones used by the Association since its organization in 1917. Just as Radio Station KDKA is called the "pioneer broadcasting station of the world," so is the Retail Credit Association of Pittsburgh the pioneer in the use of radio to promote prompt payment. For it was thirty years ago that the Association, under the wise guidance of Col. Franklin Blackstone, Credit Manager, Frank and Seder Inc., took to the airwaves to tell, for the first time on radio, the story of consumer credit.

Activity in that direction was continued and broadened by Harry E. Wilson, Credit Manager, Gimbel's, during his six years as President of the Association, and later as Chairman of its Publicity Committee for many years. Under his direction another form of promotion was used some years ago when fifty full size billboards were rented, again to tell the story of the advantages of prompt payment.

The Publicity Committee consists of J. A. Wagner, Home Discount Corp.; E. A. Beard, Potter Title and Trust Co.; J. A. White, Harris Stores; A. W. Blieszner, The Pittsburgh Press; C. G. Kaessner, Kaufmanns; T. L. Ford, The Credit Bureau Inc.; and H. A. Clarke, Boggs and Buhl. Our principal responsibility, as we see it, lies in the direction of consumer credit education. This responsibility is twofold. We must continue to educate each other and also those under our supervision who look to us for guidance.—H. A. Clarke, Credit Manager, Boggs and Buhl, Pittsburgh, Pa.

**CREDIT  
is Your Servant  
Use It WISELY  
Pay Bills PROMPTLY**

**FREE BOOKLET  
"The Good Things of Life on Credit"  
WRITE FOR IT!**

**RETAIL CREDIT ASSN. OF PGH.  
P. O. Box 596...Pittsburgh 30, Pa.**



# Granting Credit in Canada

C. B. FLEMINGTON ... Canadian Correspondent



## Character, a Big "C" to the Credit Man

W. ROBERT HOOD, John Deere Plow Company, Calgary, Alberta, Canada

ANY WORD in as general use as the word character is certain to have many ideas associated with it. To some it will be that unchanging something about a human being which others recognize by that human being's actions. To others its main use is only in such expressions as "a character, if I ever saw one" and "that character, X," where it seems to have a meaning which no one misunderstands especially if they know the person to whom reference is made. The credit man looks upon the word *character* from a different point of view, because to him it is one of the important factors determining whether credit will be granted or not, and if it is, how much.

Character for the credit man may be taken as the evidence of moral qualities, ethical standards and principles which are observed in a person's daily life. Now these three, moral qualities, ethical standards and principles may not be accepted generally as having a commonly accepted meaning. Without trying to be exhaustive it might be said that, in general, (a) moral qualities might be taken to mean right conduct in business matters, (b) ethical standards might be taken as just and honorable practices in business, and (c) principles are those ideals considered by their holder to be fundamentally true and which he uses as bases for judgments in his life. Some might object that putting character on such a level is making it an ideal. To such an objection one might reply, "Why not make it an ideal to which men strive but never reach because man never achieves perfection?"

From the above definition character will be seen to be something that is acquired as one develops. The newborn infant could hardly be said to have character because this arises from interaction with the environment. Acquired characteristics are not inherited as such, so we may assume that a person's character will almost wholly be a matter of the interaction between a person and his environment. It should not be forgotten that a person's environment does not consist only of the physical environment. The total environment aids in moulding character and the total environment means the mental, spiritual, emotional, social as well as the physical. In fact if we try to list all the possible phases of environment that go to make up the environment *in toto* we find it a difficult task.

The fact that environment plays such a large part in the development of character makes a difficult problem for the credit man when he tries to assess character. He can never know nor will he ever be able to ascertain all the factors which have entered into the development of a person's character. If he could determine all these factors he still could not definitely say that a certain person under consideration would show a certain degree of the three phases of character, moral qualities, ethical

standards and principles. The reason why he cannot is because man is a complex organism and the same thing affects different people differently.

At this point of indefiniteness one might well ask, "How then is character to be judged?" In the definition, character was said to be the evidence of certain things observed in a person's daily life. Here it is that the credit man's files come to the fore. The credit man is primarily interested in the business life of the applicant for credit and because of this he will try to build up pertinent data on the man's business dealings. To this end he will be assisted by the local branch of the Canadian Credit Men's Trust Association, and the exchange of information among credit men from various firms in the locality. If an applicant's dealings have shown that they were not just and honorable this information will caution the credit grantor.

So far it might appear that character is simply a reaction of the individual to his environment as far as moral qualities, ethical standards and principles are concerned. These characteristics have a permanency about them that as a person grows older they come almost to be as permanent as habits. It is true that some great change in the environment may bring about a change in a person's character. Should a man, whose character has always been judged to rate highly, one day, have a good friend of his suddenly disappear leaving him to pay a large note which he had backed with said friend, such a man might change and never again show those characteristics which go to make character.

### Evidence of Changing Character

The credit man must be on the alert for evidence of changing character. It is sometimes indicated by bitterness on the part of the applicant for credit. At other times it will be deduced from chance remarks which the applicant may make. These remarks will indicate how deeply rooted a man's character really is. If they are but superficial, the applicant will likely indicate by his conversation that he is an opportunist. To him, moral qualities, ethical standards and principles are only of value if they get business, or make profits. If they appear to stand in the way of getting business, then they will have to be dispensed with although for the benefit of some an apparent adherence to them is maintained.

Sometimes when human beings seem unable to make an adequate adjustment to their environment they make what might be called a substitute adjustment. The credit manager will be on the lookout for the person who is careful in his business dealings with large firms because they are large and powerful, but has business dealings with employees and small businesses which lack honor and honesty. His character is not deep-seated and he is

apt to compensate for his poor dealings with individuals by being extremely proper in his dealings with large firms.

Another type is the person who rationalizes, who says that, because he has not achieved much success in business, it must be that he is too honest. Some people will actually make up their minds to indulge in sharp practices in business on such flimsy reasoning. A more careful analysis of their situation would probably show that they lack a system of collecting outstanding accounts, that they have a slipshod and haphazard bookkeeping system and that they do not study their business with a view to giving their customers better service, and meeting local competition.

There is sometimes the daydreamer in business, although he does not usually stay in business long, who dreams of how he will put escalators and elevators in his new store but fails to notice that the steps leading to his store are in hopeless disrepair, or his doors open with extreme difficulty. The daydreamer may dream about how easy it will be to give everyone a square deal when he is well-to-do but for the present all the poor quality apples always find themselves in the bottom of the box and the weights are always a little light on the customer's side.

In the interview many a credit man has learned how to make the applicant for credit feel at ease. In the conversation, which is usually in terms of generalities, the interviewer discusses various phases of business and allows the applicant plenty of opportunity to express his own ideas. From the expression of these ideas the credit man can determine what stand the person takes in relation to the factors which make up character. It is not safe to accept what the man says, so a check should be made on his actions to see if they corroborate his words. It is usually found that those whose character is above reproach are the most willing to provide information regarding their business history, while those whose character is a little cloudy are wary of providing pertinent information and are highly incensed if the credit man ferrets out the information for himself. These observations should be used as cues to point out further investigation.

Due to the fact that the credit man is frequently a type of buffer between the management which may be conservative, and the sales force which may be very optimistic about all prospective accounts, it is he who will have to assess the character of customers and interpret his assessment to both management and sales force. The clarity and understanding with which he performs this task will determine to what extent the vital factor of character is assessed for the benefit of the business.

#### ***Changes in Credit Man's Character***

As this work is done for the business, the credit man should not forget that his own character will be changed. As he is frequently called upon to assess the characters of other people he should give some thought to his own character. If his character is developing in strength in respect to moral qualities, ethical standards and principles he should make a good reputation for himself, and the business firm which he represents should find its reputation enhanced due to the contacts which he makes. Of course no person, not even the man whose door is adorned

## **"The Nation's Capital"**

(Beginning on page 24.)

etc. The attitude of this Association is expressed in a resolution printed on page 357 of the hearings of the Senate Finance Committee on the Excise Tax Bill (HR 8920) which is a reproduction of the resolution of the Legislative Committee of this Association dated February 12, 1950, requesting immediate reduction of excise taxes on transportation, telephone and telegram communications, jewelry, furs, luggage, cosmetics, and other similar items and pointing to the general reaction of unemployment in merchandise establishments that had flowed from the failure of the public to make its usual normal purchases of such merchandise while it was waiting for action from Congress in the form of tax reductions.

The House Ways & Means Committee had worked long and hard, and had reported out a bill which would have meant a reduction in the tax load in that direction of \$820 million next year. Secretary of the Treasury, Snyder, asked Congressional leaders to relay action on the excise tax reduction bill indefinitely, and it appears that the matter must now await the outcome of the Korean situation. If this becomes an all-out war it would seem reasonable to suppose that the government will have to find new and additional resources of revenue, rather than to grant any tax reductions.

On the other hand, if the war situation should take a turn which makes for stability and peace, then the efforts of this Association in the direction of obtaining reductions in this form of taxation will not have been lost and the testimony which has been given this year before the Senate and House committees will undoubtedly furnish the basis for further action.

#### **Federal Medical Program**

Former Undersecretary of the Army, Tracy S. Vorhees, has given striking testimony in Congress as to the need of unification of Federal medical activities in order to meet the present atomic threat to public safety. This unification program was one of the recommendations of the Hoover Committees. His language was very striking. He said in part "We must be prepared for atom bombs getting through to our cities. It is not a local defense problem, it is a national one," and that failure to prepare for atomic attack by reforming the Federal medical set up "means death where there could be life." **\*\*\***

by the words "Credit Manager" or "Sales Promotion Manager" can be all things to all men, but by far the great majority of men are capable of recognizing character when they meet it and they have confidence in the man whom they say is "a square shooter." Sharp dealings may seem to pay dividends temporarily but in the long run business is carried on under conditions of mutual confidence and trust and that is soon destroyed when men of weak character show inconsistencies in their business practices. A bad reputation often seems to be acquired faster than a good reputation but behind both are the characters of people and it is they who determine the ultimate reputation. Let the credit man make no apology for fine character, it is the essence of business and it is a great influence to its like within its circle of contacts.

# Collection Scoreboard

Compiled by the Research Division

July, 1950

July, 1949

CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES						
	1950			1949			1950			1949			1950			1949			1950			1949			
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	
Atlanta, Ga.	—	—	—	—	—	—	—	—	—	377	416	358	384	473	361	400	419	381	423	460	395	—	—	—	
Baltimore, Md.	44.0	50.3	32.5	43.0	47.3	40.0	16.8	24.7	12.7	185	23.1	15.3	42.9	485	374	44.2	48.8	41.3	42.2	47.7	37.0	40.1	40.7	39.4	
Birmingham, Ala.	47.1	56.4	41.0	48.1	55.8	40.0	185	25.6	15.0	21.3	24.9	18.5	46.5	54.4	39.5	40.0	46.0	33.0	49.4	51.2	46.0	51.6	53.2	49.0	
Boston, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cedar Rapids, Ia.	587	61.3	56.2	60.3	63.0	57.7	185	19.1	17.9	25.1	31.0	19.1	770	—	—	78.7	—	68.9	70.8	67.1	75.6	83.5	67.7	—	—
Cincinnati, Ohio	56.0	62.0	50.1	53.8	60.6	46.2	16.4	29.9	10.3	17.7	27.2	12.3	59.6	64.3	55.0	58.8	63.7	54.0	56.0	61.3	50.8	56.2	59.4	53.0	
Cleveland, Ohio	48.1	53.0	42.1	48.7	53.6	43.2	21.6	22.4	19.1	24.6	25.5	19.3	50.1	59.8	40.3	44.3	49.7	39.0	69.4	93.0	44.7	68.8	92.2	45.3	
Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Denver, Colo.	49.9	55.6	42.3	50.2	59.0	44.5	15.2	25.6	13.3	21.5	22.0	17.0	51.5	55.6	47.5	46.9	52.7	41.2	51.5	55.6	47.5	46.9	52.7	41.2	
Des Moines, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	61.3	69.5	53.1	60.8	66.1	55.5	52.7	55.1	50.4	53.2	57.0	49.5	
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Kansas City, Mo.	61.5	63.2	60.2	57.3	62.2	49.4	14.2	15.1	13.4	20.8	21.8	19.9	57.7	64.9	49.9	58.9	66.1	52.5	57.7	64.9	49.9	58.9	66.1	52.5	
Little Rock, Ark.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Los Angeles, Calif.	56.2	65.8	50.3	56.7	62.7	51.9	15.9	17.7	15.2	18.7	21.2	16.3	60.4	—	55.6	60.2	50.9	52.3	55.7	47.0	52.4	65.0	49.0	—	
Louisville, Ky.	49.6	52.0	47.2	49.6	47.1	42.2	15.2	19.0	11.4	18.7	21.7	13.8	40.6	45.6	33.0	41.1	49.4	34.0	46.5	49.5	43.4	46.7	49.4	44.1	
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Milwaukee, Wis.	51.6	51.8	48.8	48.9	53.6	47.8	13.7	13.8	13.6	19.5	19.7	19.3	50.3	52.6	48.1	50.2	52.7	47.6	55.9	66.7	42.6	63.9	71.8	44.3	
Minneapolis, Minn.	57.6	59.1	52.1	56.3	61.1	50.4	19.4	20.3	18.3	23.2	24.5	22.1	62.0	64.1	59.9	62.4	67.0	59.7	54.2	63.1	46.5	50.4	54.1	46.7	
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
New York, N. Y.	46.3	55.7	41.2	45.7	63.3	39.0	17.9	26.3	13.5	20.1	24.0	18.2	40.5	41.5	37.4	40.0	42.3	36.5	—	52.4	—	50.5	54.9	46.1	
Oakland, Calif.	57.4	65.8	48.2	57.5	60.5	43.4	20.1	27.2	13.7	19.6	28.0	18.3	52.6	53.0	52.3	56.7	58.6	54.7	48.6	64.9	34.0	52.3	66.2	36.0	
Omaha, Neb.	58.5	65.6	54.3	59.2	69.0	49.4	—	21.5	—	—	20.3	—	51.3	55.0	45.9	52.0	55.0	49.0	56.9	58.7	55.2	57.3	58.0	56.6	
Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Providence, R. I.	48.8	51.0	42.0	50.5	57.0	43.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
St. Louis, Mo.	54.2	56.9	52.3	53.1	55.7	53.2	17.8	21.6	15.5	23.5	24.9	22.4	42.0	56.2	37.9	45.6	53.8	37.5	50.9	53.3	46.9	52.0	53.7	49.0	
Salt Lake City, Utah	60.1	67.3	50.4	62.2	68.2	58.1	17.3	22.1	13.0	24.5	25.2	23.5	—	—	—	—	—	—	45.9	46.7	45.2	46.7	48.4	45.0	
San Francisco, Calif.	51.5	63.3	41.2	53.7	62.9	41.2	21.3	23.8	19.1	24.7	26.4	22.2	47.6	47.7	46.8	45.2	49.5	41.3	47.6	50.6	45.3	48.9	54.0	46.6	
Santa Barbara, Calif.	63.3	69.9	55.1	62.1	67.1	56.1	—	—	—	—	—	—	64.8	73.6	58.4	57.8	66.3	49.2	66.4	72.0	60.9	69.9	70.0	66.5	
Sioux City, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Spokane, Wash.	54.8	80.0	48.9	54.3	66.2	40.2	15.0	16.8	12.8	14.3	15.0	13.3	51.0	55.0	47.0	52.0	61.0	43.0	—	67.8	—	66.8	66.5	—	
Springfield, Mass.	57.1	61.2	52.6	60.2	64.3	56.0	24.0	24.7	23.2	22.4	23.1	21.7	—	77.8	—	—	59.8	—	49.1	—	—	53.8	—	—	
Toledo, Ohio	47.7	51.0	44.2	52.6	53.0	45.4	18.9	19.0	15.8	20.3	24.0	16.2	54.8	54.9	50.0	53.0	53.5	47.0	—	49.8	—	41.5	48.0	35.1	
Tulsa, Okla.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Washington, D. C.	45.8	52.5	43.5	44.1	49.3	41.1	18.6	24.1	15.5	19.1	23.1	14.3	—	—	—	—	—	—	—	—	—	—	—	—	
Worcester, Mass.	—	51.2	—	52.9	53.8	52.1	—	26.4	—	30.8	36.7	24.9	—	—	46.8	49.0	44.6	—	—	—	—	—	—	—	—
Youngstown, Ohio	—	39.1	—	—	44.0	—	—	16.9	—	—	19.5	—	—	—	—	—	—	—	—	—	—	—	—	—	
Ottawa, Ont.	—	—	—	—	41.8	42.6	40.2	—	—	17.9	28.5	13.8	—	—	—	—	—	—	—	—	—	—	—	—	
Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Victoria, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

INSTALMENT ACCOUNTS receivable of department stores rose slightly in June and at the month-end were 43 per cent larger than on the corresponding date last year. Collections on instalment accounts declined somewhat during the month and amounted to 17 per cent of accounts outstanding on the first of the month, a ratio 1 point less than in May. At this rate of repayment instalment accounts would be outstanding about ten and one-half months, more than two months longer than a year earlier. Charge accounts outstanding at the end of June were unchanged from the month-ago level, but were 4 per cent above the amount outstanding a year ago. Collections on charge accounts increased slightly during the month, and the ratio

of collections to accounts receivable on the first of the month declined 1 point to 51 per cent. At the prevailing rate of repayments, charge accounts would be outstanding about 58 days, about the same as in the corresponding month of 1949. Both cash and credit sales of department stores showed the customary seasonal declines in June. Instalment and charge account sales registered declines of 9 and 4 per cent, respectively, while cash sales were 4 per cent below last month. Instalment sales were 21 per cent above those of a year earlier while charge account sales were up 4 per cent. Cash sales continued somewhat below the level of the previous year.—Federal Reserve Board.

# Business Conditions and Outlook

## General Business Conditions

BUSINESS HAS CONTINUED to forge ahead under the stimulus of increased demand from all classes of buyers. The total volume of trade and industry has reached a new peak which is 10 per cent higher than it was a year ago and slightly above the high point in 1948. Much of the recent expansion has been due to unusual factors such as increased government spending for military supplies and equipment, additional amounts of consumer credit of all kinds, and the speeded-up purchasing by consumers who fear that production for war purposes may result in shortages of many items. Factory output has increased by about the same amount as has business volume, and additional expansion is expected after the summer vacation period.

Variations among different parts of the country are somewhat wider than usual, although in every region business is better than it was a year ago. The most favorable areas are the industrial region around the Great Lakes, parts of the Southwest, and the Pacific Northwest. As the comparisons are with conditions a year ago, some of the shadings on the LaSalle Map represent the relatively low level of activity a year ago rather than an extremely high level now. For the most part, industrial regions are making a better showing than are the agricultural sections.

The high rate of activity in the steel, automobile, and building industries accounts for conditions in the industrial regions, especially the area around the Great Lakes. In places where industries making nondurable consumer goods predominate, the advance in business activity has been much less, and in some communities the rate is about the same as it was a year ago. During the last few weeks conditions have become somewhat less favorable in the New York area, although the changes have not been extensive.

The major areas in which business is lagging behind the national average are the Southeast, parts of the Southwest, and the northern part of the Middle West. The falling off in farm income has been a major factor in bringing about this relatively poorer showing. Crop prospects, especially those for wheat and corn, have been somewhat less favorable and have tended to slow down business in many farming areas. Some improvements have been reported both in crop conditions and in prices during recent weeks, and the trend now is gradually upward. Business has become slightly less favorable in parts of the Pacific Coast region, although the change from last year is about the same as the national average.

The business situation in Canada has changed but little in recent months, but the trend has been slightly upward. The most favorable places are in the West and in the industrial region north of the Great Lakes. Industrial activity is about the same as it was a year ago. Indications are that business will be well maintained during the summer months and the prospects for the fall are favorable.—*Business Bulletin*, La Salle Extension University, Chicago, Ill.

## Consumer Credit

CONSUMER CREDIT outstanding at the end of June reached a total of 19,627 million dollars. This was an increase of 550 million or about 3 per cent over the level of May 31 and represented the largest recorded increase for the month of June. The rates of expansion of most of the major types of

credit were greater than in May. Total consumer credit outstanding on June 30 was 3.5 billion dollars above the level of a year ago. Instalment credit outstanding increased 395 million dollars to 12,063 million on June 30. As in the previous month, about two-fifths of this gain was in automobile sale credit organization at dealers. The rest of the gain was accounted for primarily by increases in loan balances. Charge account indebtedness rose by 109 million dollars during June to a level about 4 per cent above that of a year ago.—Federal Reserve Board.

## Retail Furniture Report

RETAIL FURNITURE store sales declined seasonally in June but were 5 per cent greater than in the corresponding period of 1949. All types of transactions were in smaller volume than in May, with decreases of 3 per cent for charge-account business, 4 per cent for instalment and 7 per cent for cash sales. Credit sales were 7 per cent above the volume of a year earlier, while cash sales declined 2 per cent from a year ago. Instalment accounts receivable showed little change in June from the level of a month earlier but were 28 per cent above the amount outstanding a year ago. The ratio of monthly collections to first-of-month accounts receivable remained at 10 per cent, the same as in the two preceding months. At the prevailing rate of repayment accounts would be outstanding 19 months, approximately 4 months longer than in June 1949. Retail value of inventories declined 3 per cent in June but were 9 per cent larger than on the corresponding date last year. On June 30 the retail value of stocks amounted to about 4 months supply at the current rate of sale.—Federal Reserve Board.

## Consumer Instalment Loans

CONSUMER INSTALMENT loans outstanding at the principal types of lending institutions on June 30 are estimated at 4,148 million dollars. The monthly rise amounted to 156 million, a somewhat greater expansion than was reported in May. At the end of June, outstanding balances were 22 per cent above the level of a year ago. The volume of loans made during June was larger than the May total for each type of lender, and showed an over-all gain of 26 per cent from a year earlier.—Federal Reserve Board.

## Retail Instalment Credit at Furniture and Household Appliance Stores

INSTALMENT ACCOUNTS receivable of furniture and household appliance stores increased in June for the fourth consecutive month. At the end of the month outstanding balances at furniture and household appliance stores were 32 and 44 per cent larger respectively, than on the corresponding date last year. Collections on instalment accounts of household appliance stores were somewhat slower in June than in the previous month while furniture store collections remained unchanged for the third consecutive month. The rate of collection in June at both kinds of outlets was considerably slower than for the corresponding month last year. Instalment accounts of furniture stores were repaid, on the average, in about 19 months, as compared with 18 months for household appliance stores.—Federal Reserve Board.

## Plan Now to Attend THE 37TH ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

THE STEVENS HOTEL, CHICAGO, ILLINOIS, JUNE 25-28, 1951

National Retail Credit Association

Credit Women's Breakfast Clubs of North America • Associated Credit Bureaus of America

# LOCAL ASSOCIATION Activities



## Birmingham, Alabama

The new officers and directors of the Associated Retail Credit Managers of Birmingham, Birmingham, Ala., are as follows: President, Seancy H. Johnson, Jr., Moore-Handley Hardware Co.; First Vice President, Guy Butler, Marks Fitzgerald Furniture Co.; Second Vice President, R. E. Bice, Odum, Bowers and White; Third Vice President, Mrs. Lucille Hyche, J. W. Clary Co.; and Secretary-Treasurer, W. V. Trammell, Merchants Credit Association. Directors: W. H. Ray, New Williams; George H. Allen, Dixie Oil Co.; W. V. Beddow, Porter Clothing Co.; B. C. DeLoach, Loveman, Joseph & Loeb; Jeanette Davis, Office Outfitters Co.; Irving Gladstone, Industrial Loan & Finance Co.; Mrs. Maurine Greene, B. F. Goodrich & Co.; Lillian Hanson, Kessler's; C. C. Hood, Yeilding Brothers; Mrs. Theresa Langford, Odum Clothing Co.; T. A. Nickel, Bromberg & Co.; W. A. O'Hara, Calder Furniture Co.; Virginia Young, Maring-Crawford Motor Co.; and Paul Jackson, Southern Bell Telephone Co.

## Bridgeport, Connecticut

At the recent organizational meeting of the Retail Credit Association of Bridgeport, Bridgeport, Conn., the following officers and directors were elected: President, Harry Glunts, The Leavitt Co.; Vice President, Sidney Hoffman, Hoffman Fuel Co.; Treasurer, Paul S. Newton, Bridgeport Peoples Savings Bank; and Secretary, Walter H. Kerr, Bridgeport Credit Rating Bureau. Directors: Joseph Lederer, Chamber of Commerce, and G. Wesley Hubbell, City Savings Bank.

## Haney, British Columbia

At the organizational meeting of the Retail Credit Grantors' Association, Haney, British Columbia, Canada, the following officers and directors were elected: President, Arthur Hanson, Hanson's Ltd.; First Vice President, Brian Byrnes, Byrnes' Garage; Second Vice President, Reginald Arkland, S. & J. Red & White Store; and Secretary, W. J. Briggs, Credit Bureau of Maple Ridge. Directors: John Clappison, Clappison Bros., and John Nerada, Nerada's Grocery.

## Orlando, Florida

At the first annual meeting of the Retail Credit Association of Orlando, Orlando, Florida, the following officers and directors were elected: President, Robert E. McArthur, Yowell Drew Ivey Co.; Vice President, Charles P. McCall, Rutlands Men's Store; Secretary, Francis Auger, Credit Bureau of Orlando; and Treasurer, L. D. Trippé, Credit Bureau of Orlando. Directors: Jack Simmons, Orange Buick Co.; Mrs. Opal Tanner, Dickson and Ives Co.; and Leo Thiesen, Lu-Sairs. During the past year the organization promoted and financed a prompt pay campaign which it is hoped will be perpetual.

## Davenport, Iowa

The following officers and directors of the Retail Credit Association, Davenport, Iowa, were elected to serve for 1950-51: President, Emil Ohland, Iowa-Illinois Gas Electric Co.; Vice President, Bernice McDougall, Credit Bureau of Davenport; Secretary, Amy J. Theleman, Petersen-Harned-Von Maur; and Treasurer, Marjorie Caldwell, Ottesen and Ottesen. Directors: Mrs. Ann Bargmann, Vogel & Bargmann; Robert Heschen, Jansen Jewelry; Bess Ritter, Newman's; Harold B. Smith, M. L. Parker Co.; and Hayes Truedson, Guardian Finance Co.

## Honolulu, Hawaii

The officers and directors of the Honolulu Retail Credit Managers Association, Honolulu, Hawaii, who were recently elected are: President, Herbert Resler, The Liberty House; Vice President, Robert Milne, Melim's Service and Repair; and Secretary-Treasurer, Alvin A. Smith, Credit Bureau of Hawaii. Directors: J. K. Tom, Honolulu Finance & Thrift Co.; A. C. Clissold, Motor Supply Co.; Alice Knapp, New York Dress Shop; Lillian Mackale, M. McInerny, Ltd.; Dan Abdul, Home Furniture Co.; Robert Chatterton, Bishop National Bank; and James Doo, Yat Loy Co. The Association recently sponsored a course on credits and collections at the extension division of the University of Hawaii which met with such approval that an advanced course is now being planned.

## Seattle, Washington

At the annual meeting of the Retail Credit Association of Seattle, Seattle, Wash., the following officers and directors were elected: President, Harold J. Schrupp, Standard Service Tire Co.; Vice President, George C. Marshall, National Bank of Commerce; Secretary, Myron T. Gilmore, Seattle Credit Bureau; and Treasurer, Richard J. Aronson, Aronson Hardware Co. Directors: Joe Moore, Diesel Oil Sales; O. A. Scherer, Bon Marche; Frank Price, Jean Hall; Harold Chesney, General Petroleum Corp.; and Vernon E. Rasmussen, Evergreen Cemetery Co.

## San Mateo-Burlingame, California

The recently elected officers of the San Mateo-Burlingame Credit Association, San Mateo-Burlingame, Calif., are as follows: President, James L. Porter, Miller Drug Co.; First Vice President, Robert F. Wisnom, Wisnom Hardware Co.; and Second Vice President, Patrick Rorke, Rorke's. Directors: Geoffrey Bromfield, Levy Brothers; Seth Cohn, Atlas Electric Co.; Dr. J. M. Foley; Earl Hook, American Trust Co.; John W. Forsythe, Forsythe & Simpson; and Herb Walcha, Loewe & Zwierlein. The group recently chartered an American Airlines plane for a one and one-half hour cruise over the San Francisco-Oakland Bay area.

# In The NEWS



THE BOARD of Directors of the National Retail Credit Association was asked about new controls on credit as a result of the new world situation. Of the 27 that replied, 21 were against controls while 6 favored controls. Those who opposed the return of credit regulations by the Government made it clear that they would cheerfully comply and observe all the controls that may be set up. Directors were also asked what terms they would recommend should instalment credit be singled out for controls.

\* \* \*

**CONSUMER CREDIT** regulations, such as Regulation W affecting instalment buying, are not necessary in times of high income and scarcity of goods was the opinion expressed by some 60 credit bureau managers from 14 different states who attended a consumer credit forum at the University of Illinois recently. When goods are scarce and customers have money, the merchant does not have to offer low credit terms, the forum brought out. Whether or not consumer credit regulations are installed, when customers start bidding against each other for goods, credit terms go up. At such times, the forum agreed, credit regulations will solve no problems.

\* \* \*

**CREDIT MANAGERS**, not the customers, are to blame for slow payments, says a University of Illinois bulletin, "The How and Why of Retail Credit," by D. W. Belcher. The bulletin suggests five credit controls and other factors in credit management. It is free from the University's Business Service, Urbana, Ill.

\* \* \*

**ONE OF THE** nation's largest department stores has sent a bulletin to the sales staff warning it to be polite to customers and to avoid the old attitude of, 'Don't you know there's a war on?' It also advises sellers not to promote scare buying and to assure customers that when goods are out of stock the store hopes to replace them at regular prices.

\* \* \*

**SOMETIMES AN** idea can be too good. An ink company introduced a new shade under the name of, 'Dollar-Bill Green.' Orders started pouring in, but so many of them came from counterfeiters that the shade was withdrawn.

\* \* \*

**W. H. BUTTERFIELD** is preparing a new book for the National Retail Credit Association entitled, 'Tested Credit and Collection Letters.' The book contains 100 letters and the price is only \$2.00 per copy. It will be ready shortly. Mr. Butterfield was formerly Educational Director for the N.R.C.A., and is now Executive Director, University of Illinois Foundation, Urbana, Ill.

\* \* \*

**CREDIT UNIONS** are becoming a more important factor in consumer instalment loans. Federal Reserve figures show they had loans totaling \$474,000,000 outstanding at the beginning of July, an increase of \$128,000,000 in a year. This is an increase of 27 per cent, compared with an increase in all consumer loans of 22 per cent.

\* \* \*

**CONSUMERS' PRICES** rose 1.3 per cent from June to July, according to the National Industrial Conference Board. Surveying the price situation in 10 major cities three weeks after the beginning of the Korean war, as compared with prices on June 15, the Board noted that rising food prices led the advance. Rising prices for meats, milk, sugar, bread and coffee were mainly responsible for the increase.

\* \* \*

**THE SEVENTY-FIVE** cents an hour minimum wages must be paid to school children who work during vacation time for employers in interstate commerce.

\* \* \*

**MAN'S ABILITY** to absorb knowledge decreases only one per cent per year after age 25. This means that at 65, you can still absorb knowledge half as fast as you could

when you were 25, according to Columbia University psychologists. Executives-to-be, then, need not be selected according to age.

\* \* \*

**LOCAL AND STATE** governments collect an average tax of \$58.00 annually from the owner of a lightweight automobile, Commerce Clearinghouse reports in its current State Tax Review. These taxes range from \$28.00 levied by Michigan and New Jersey, \$48.00 by California and New Hampshire, and \$56.00 in Texas and Colorado, as well as Florida, all the way to a high of \$92.00 in Mississippi.

\* \* \*

**NEVER BEFORE** has the United States production capacity, and labor force been so large. And never before have American corporations been in a stronger working capital position. Securities and Exchange Commission reports current assets of U. S. corporations total \$124.8 billion. Current liabilities are \$55.8 billion, which leaves net of \$69 billion, more than twice the nation's corporate net assets at the start of World War II. More than \$74 billion has been invested in plant and equipment in the past five years.

\* \* \*

**THE COST** of our Federal Government has increased fivefold in the past 10 years. Through taxes, hidden or direct, you are paying your share of that cost and you are charging part of it to your own children and grandchildren. The cost of processing a government purchase order averages \$10.00. Last year the federal government made more than three million purchases and over one-half were for items costing less than \$10.00.

\* \* \*

**ELISHA G. OTIS**, inventor, demonstrated the safety device on one of his first elevators by making frequent ascensions, then cutting the rope and letting the elevator fall. His invention, making tall buildings possible, did more to increase the value of city real estate than any other invention in the last century.

\* \* \*

**A TWENTIETH CENTURY** Fund report estimates public debt per person, including total debt of national, state and local governments, in the United States, as follows: 1913, \$60.00; 1922, \$300.00; 1932, \$310.00; and 1945, \$1,970.00.

## Emblem



1 inch  
"Reverse"  
\$1.00



3/4 inch  
"Reverse"  
75c



3/4 inch  
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**NATIONAL RETAIL CREDIT ASSOCIATION**  
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# BE A GOOD BRICK; **BUY A BRICK!**

ON JUNE 15, 1950, another milestone was passed in the history of the National Retail Credit Association. On that day, the Board of Directors authorized the construction of our own office building in University City, a suburb of St. Louis, Mo. The necessity for owning our own building is obvious. In common with many businesses and associations, your national officers are constantly faced with the problem of the expiration of the lease for office space and increased rent on its renewal.

Most buildings are purchased in part for cash and part with a mortgage. Your association is following such sound business practice. Authority was also given to your officers to borrow some of the money which is required for the construction of this building. The mortgage probably will be about one-half of the total cost of the building and lot. It would be wonderful if this mortgage was not necessary. And, I have a plan in mind that might obviate the necessity of it. Here is where every member of the association can help.

As a tribute to our good friend and General Manager-Treasurer, L. S. Crowder, I would like to sponsor a campaign to raise this money and eliminate the necessity for the Association going into debt. Over the years, you and I and thousands of our predecessors have helped build the association. Now, let us all join and help to build the building that will be a lasting and visible evidence of the substantialness of consumer credit by purchasing one brick for the building at \$1.00. It will require only such a voluntary contribution from all of us.

If you care to join me in this effort, and I am counting on you, simply enclose \$1.00 with your letterhead, or if a larger amount, I suggest that you make your check payable to the National Retail Credit Association and forward it to:

L. S. Crowder, General Manager-Treasurer  
National Retail Credit Association  
218 Shell Building  
1221 Locust Street  
St. Louis 3, Missouri

The slogan for this campaign is: BE A GOOD BRICK; BUY A BRICK!

  
President

National Retail Credit Association

**★ STANDARD APPLICATION FORM**

**H**E sale of over four hundred thousand during the past year is conclusive testimony of the popularity of this form. Increase the efficiency of your department by ordering a supply immediately!

The actual size of the form (reproduced below) is 6 inches by 9 inches. Printed in one color. Blocked in pads of 100. Prices: 100, \$1.00; 500, \$4.00; and 1,000, \$7.00. *Postage is extra.*

## NATIONAL RETAIL CREDIT ASSOCIATION

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